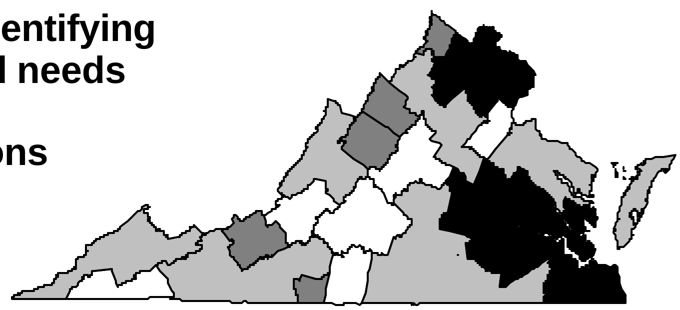
Analysis of Housing Needs in the Commonwealth

- **Nine regional forums identifying key housing issues and needs**
- **Assessment of conditions and trends in 21 urban and rural housing market areas**



Virginia Department of Housing and Community Development

Virginia Housing Development Authority

November 2001

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Organization of Report

Analysis of Housing Needs in the Commonwealth

Organization of Report (continued)

Analysis of Housing Needs in the Commonwealth

Part I: Statewide Overview

Virginia Department of Housing and Community Development

Virginia Housing Development Authority

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Part I: Statewide Overview

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Background

Project Purpose

In the fall of 2000, Secretary of Commerce and Trade Barry E. DuVal directed the Dept. of Housing and Community Development and the Virginia Housing Development Authority to jointly conduct a statewide assessment of housing needs. An adequate supply of safe, sound, affordable housing is a vital component of Virginia's continued economic prosperity.

The needs assessment is intended to examine the current state of housing in Virginia and identify the major housing issues facing the Commonwealth this decade. An additional purpose is to provide consistent information on state housing needs, particularly regional differences in needs, in order to help align and coordinate state-level programs and improve the allocation of state-administered housing resources.

Regional Housing Forums

A series of regional housing forums that were held in nine locations across the state in March and April 2001, provided opportunities for broad public input. They were **not** public hearings, but instead provided facilitated small group discussions of housing issues and a structured process for identifying and prioritizing needs. Nearly 700 people attended the nine forums representing the full of array of housing stakeholder interests.

Data Analysis

Agency staff has analyzed available housing and economic data in order to shed light on the trends and conditions underlying and driving the housing issues identified in the regional forums. This has included:

1. a review of 2000 Census data[1] released in early and late summer 2001; and
2. assemblage of the first complete statewide inventory of federal and state assisted rental housing since the early 1980s.

Housing Market Areas

To better understand regional differences in needs, conditions and trends, data has been collected for 21 separate market areas. For purposes of data collection and analysis, these markets have been categorized into four broad groups reflecting their relative size and degree of urbanization.

- Large metropolitan market areas
- Small metropolitan market areas
- Non-metropolitan urban market areas
- Rural market areas

The 21 market areas conform to the new official standards recently adopted by the federal government for classifying metropolitan and non-metropolitan areas.

[1] More detailed housing and economic information will be available from the Census Bureau later in 2002 and 2003.

Summary of Key Findings

Considerable diverse public input was received at the regional housing forums. Nevertheless, a number of common issues emerged. There were nine common statewide issues that carried through the ten public meetings.[2] There were also a number of issues that were common to urban or rural areas. In some regions, public input had a unique focus or expressed a particular concern. In all, the issues and needs identified and prioritized at the forums are consistent with and supported by the available quantitative data on housing conditions and trends. Therefore, the findings from the forums serve as a consensus view of current needs and priorities.

Following is a broad summary of the key findings of the needs assessment, including the major issues identified by participants at the regional housing forums, and the findings of the quantitative analysis of the conditions and trends impacting those issues and needs.

Housing affordability has improved for the average Virginian.

Economic trends have favored housing.

Since 1990, strong economic growth has raised overall living standards in Virginia. Low unemployment has improved the economic situation of many low- and moderate-income households, while low inflation has helped to constrain housing costs and to increase consumer buying power. Lower interest rates have further increased housing affordability by reducing both the cost of home purchase and the cost of rental housing development.

Demographic changes have also been favorable.

Changes in the age profile of the population have favored improvements in housing. During the 1990s, over two-thirds of the growth in the adult population was among middle aged people (45 to 64 years of age), while the number of young adults aged 20 to 34 years declined by nearly nine percent. This shifted housing demand to older households in their peak earning years.

There has been considerable production of new assisted housing

Low- and moderate-income households have benefited from substantial production of new assisted rental housing throughout the state. In all but three of Virginia's 21 housing market areas, the ratio of federal and state assisted rental units to renter households increased over the course of the decade, often by a substantial amount. Statewide, the ratio of total assisted units per 1000 renter households rose by 22 percent, from 97 in 1990 to 118 in 2000.

Overall, housing affordability has improved.

As a consequence of these positive factors, the affordability of both renting and home purchase have increased for the average Virginian since 1990 in all areas of the state.

[2] Forums were held in nine locations across the Commonwealth. Due to very high attendance, the forum in Fairfax was divided into two separate morning and afternoon sessions. This resulted in a total of ten public sessions.

In spite of overall increases in affordability, substantial unmet housing needs remain.

Forum participants identified nine priority issues of statewide concern.

Statewide Issue #1

There is a growing gap between income and housing costs for very low-income people.

The income of the average household has increased faster than housing costs since 1990, but the same has not been true for households with very low incomes. In particular, households with "extremely low" incomes—i.e., the homeless, populations that depend on fixed benefit incomes (e.g., the elderly and disabled), and low-wage households—have all experienced a widening gap between their limited resources and rising housing costs.

The affordability gap for very low-income people is widest in the areas of the state to the north and east of Interstate 64—especially northern Virginia—where housing costs are highest and rising most rapidly.[3] Generally, these urban and rural markets have experienced growth rates in jobs, households, and housing above the statewide average.[4] In all of these markets, the rate of household growth has exceeded the rate of new housing production. Consequently, vacancy rates have declined and housing prices and rents have escalated, making the affordability gap for the lowest income populations extremely large.

A somewhat smaller affordability gap exists in the mostly slower growing markets to the south and west of Interstate 64 and on the Eastern Shore. Housing costs are lower in these areas, but are still considerably higher than the lowest income populations can afford. There is no housing market in the state in which a disabled person dependent on Supplemental Security Income (SSI), a senior dependent on Social Security benefits, or a minimum wage worker, can afford an adequate one-bedroom apartment at the prevailing market rent.

Statewide Issue #2

There is a shortage of affordable rental housing.

Most households at the lowest income levels have insufficient resources to cover the operating costs of rental housing even when a property is carrying little or no debt service. Consequently, they cannot afford adequate rental housing without the provision of Section 8 assistance or comparable deep rental subsidy. Nowhere in Virginia are deep rental subsidies adequate to meet the needs of low-income people. In recent years, increased federal appropriations for Housing Choice Vouchers (Section 8) have not reduced lengthy waiting lists for assistance. This reflects the growing need for assistance among the lowest income populations.

In areas experiencing a shortfall in housing production, the greatest tightening has occurred in the rental market. Tight rental market conditions are a particular burden for low-income households because they create a disincentive for private landlord participation in assisted housing programs, particularly those providing deep rental subsidies. A number of factors have reduced incentives for private landlords to

[3] This includes the Washington-Arlington, Winchester, Northern Valley-Piedmont, Harrisonburg, Charlottesville, Fredericksburg, Northern-Neck Middle Peninsula, Richmond, and Hampton Roads market areas.
[4] Exceptions are Richmond and Hampton Roads.

participate in federal deep subsidy programs, including: the increased buying power of many renters; lower vacancy rates in many markets; and greater uncertainty regarding ongoing federal funding of subsidy contracts. As a result, there have been considerable losses of deep subsidy units through owner prepayments and opt-outs. Housing Choice Vouchers have become increasingly difficult to use as rental vacancies decline and fewer landlords choose to participate in the Voucher program.

Statewide Issue #3

Much of the housing available to very low-income people is in poor condition.

Much of the state's poverty level population lives in either rural areas or the core localities of urban housing markets. These are areas that are (or until recently were) experiencing relatively low rates of growth. Consequently, they have housing that is older and in greater need of repair or replacement than elsewhere in the state. However, lack of adequate purchasing power among low- and moderate-income households inhibits landlords from investing in maintenance and repairs required in order to preserve the quality of an aging housing stock. Likewise, very low-income home-owners (e.g., elderly and disabled persons) often cannot afford ongoing home maintenance and repair.

Statewide Issue #4

Very low-income people face limited location choices for affordable housing, which restricts their access to services and employment.

In urban markets, assisted housing units—especially those with deep rental subsidies—continue to be disproportionately concentrated in older core localities, while new job and service growth is increasingly located in the suburban portions of the market area. Often there is little or no connection via public transit between assisted housing locations in core localities and new employment and service locations in suburban areas. This reinforces existing concentrations of poverty and significantly restricts opportunities for upward mobility by lower income persons. Likewise, in many rural areas access to employment and services is hindered by the limited locations of affordable housing.

Statewide Issue #5

Disabled, elderly and homeless people have unmet needs for housing linked to services.

Currently, people with "special needs"—the homeless, elderly who are frail or disabled, and non-elderly people with disabilities—make up a large share of households requiring housing assistance. They depend on a variety of supportive services to assist them in living independently. These services may be needed on either a transitional or permanent basis. Their ability to pay for such services is extremely limited. Thus, multiple subsidies are needed in order to provide them with supportive housing. Disabled people also continue to lack adequate access to affordable accessible housing and to assistance in making needed home modifications.

Provision of supportive housing requires the ongoing availability of both housing and service subsidies, as well as coordination between housing and service providers. At present, necessary subsidy streams are inadequate, especially for housing providing assisted living services. At the same time, all levels of government lack adequate means for linking and coordinating the provision of housing and support services.

Statewide Issue #6

Credit problems and weak financial management/life skills are obstacles to home purchase and obtaining adequate rental housing.

For renters and homebuyers alike, inadequate financial management/life skills (e.g., budgeting, saving, knowledge of credit, understanding of the responsibilities of homeownership) have become significant barriers to both obtaining and maintaining adequate housing. Home purchase has become more affordable since 1990. Nonetheless, many low- and moderate-income households continue to face serious challenges in achieving homeownership due to high levels of consumer debt, poor credit ratings and declining savings.

Statewide Issue #7

There is a lack of public awareness and support for housing issues—therefore, affordable housing is not a local priority.

The improvement in housing affordability experienced by the average household over the past decade has helped to reduce awareness of housing needs (i.e., the average Virginian does not experience, and may not directly know anyone who experiences housing needs requiring public assistance). Furthermore, housing needs are less visible today than in the past because dilapidated housing conditions have become less common and are largely located in rural or core city areas. There is a growing "not-in-my-backyard" (NIMBY) attitude that undercuts resolution of unmet housing needs. Public education and advocacy are needed in order to change perceptions and to bring attention to critical issues.

Statewide Issue #8

Fiscal pressures on localities have caused housing to be viewed as a "cost"—this has led to local barriers being imposed on affordable housing development.

Local governments, particularly those in rapidly growing regions, are having increased difficulty paying the costs of expanding public services to meet the needs of new residents. Consequently, citizen pressure is mounting to constrain growth in order to limit new fiscal responsibilities. In this context, the development of new housing—particularly multifamily housing—has come to be viewed as a "cost."

Numerous local zoning, regulatory and fee requirements are being imposed on housing as a means to curtail development or ensure that development "pays its way." Such restrictions include: limited zoning for multifamily housing; minimum lot sizes and a variety of restrictive covenants for single-family homes; restrictions on the use of manufactured housing; and the imposition of impact fees, proffers and utility hook-up fees. These restrictions increase the cost of housing, thereby reducing affordability for low-income households. In some cases, such restrictions undermine the feasibility of affordable housing projects, thereby preventing affordable units from being brought to market.

Statewide Issue #9

Changes are needed to local, state and federal programs to better address housing needs.

Forum participants cited a variety of barriers to accessing federal, state and local housing assistance, including inflexible program guidelines that limit participation and preclude some needs. In rural areas, program administrative requirements are seen as burdensome by local housing organizations that have limited administrative capacity. A need is seen for new state and local partnerships to more effectively use available resources to address unmet housing needs.

Forum participants identified several issues of concern specific to urban market areas.

Urban Issue #1

There is a lack of a holistic approach to housing.

Forum participants strongly believed that housing is not being sufficiently integrated into local planning. Particularly in the three large metropolitan housing markets, forum participants saw a disconnection between planning for economic development, transportation and housing. This is reflected in the lack of a regional approach to housing, which contrasts to planning for economic development and transportation.

Urban Issue #2

Concentration of affordable housing in limited areas results in disinvestments by landlords and neighborhood decline.

Affordable housing—both assisted and unassisted—is heavily concentrated in the older core localities of metropolitan areas. So too are persons in poverty, and racial and ethnic minorities. Older core localities have aging housing stocks with large numbers of units in need of repair or replacement. The concentration of poverty in these areas reduces purchasing power and thereby provides strong disincentives for landlords to invest in needed property maintenance and repair. The lack of access from core areas to the new job opportunities being created in suburban areas limits economic opportunity and reinforces a cycle of decline.

Forum participants strongly believed that the concentration of affordable housing relegates many low-income people to undesirable and/or unsafe areas with inadequate amenities and services. However, they cited barriers to developing mixed income housing and to integrating affordable housing throughout communities (e.g., "not-in-my-backyard" attitudes).

Forum participants also identified a number of issues specific to rural market areas.

Rural Issue #1

There are multiple constraints on the development of new affordable housing.

Forum participants cited two sets of constraints on affordable housing development in rural areas. First, there are numerous obstacles to the use of land for new residential development. These include: inadequate water/sewer service; environmental barriers (e.g., steep topography in mountain areas; wetland runoff and other environmental restrictions in the Chesapeake Bay area); and land ownership patterns (e.g., sites otherwise available for development are often encumbered by multiple heirs/owners).

Second, there is inadequate organizational capacity and infrastructure for affordable housing development. Forum participants cited the need for enhanced capacity building efforts in rural areas to help overcome development constraints and to provide local organizations with the capability to access and use affordable housing programs.

Rural Issue #2

The housing stock is limited and much of the affordable housing is in poor condition.

Rural areas continue to experience a legacy of poor quality housing. Despite a continued sharp statewide decline in units lacking full indoor plumbing facilities (now estimated to comprise just 0.6 percent of total units in Virginia), the remaining 17,000 units are largely found in rural pockets of poverty where they still represent a significant local problem. Forum participants were concerned that state and federal housing rehabilitation programs lack adequate flexibility to address substandard housing at the scattered sites that predominate in rural areas.

Rural Issue #3

There is lack of consumer awareness of housing programs and assistance.

A significant theme at the rural housing forums was the concern that many rural residents with housing needs do not know where to go for or how to access available housing assistance programs. Forum participants cited the lack of capacity of local housing organizations and mobility barriers as hindering consumer access to housing information and services.

Finally, there were a number of issues raised at the forums that were specific to one or more regions.

Region-Specific Issues

- In **Northern Virginia**, there is concern about rapid growth and its impact on housing availability and choice. Throughout the region, but especially inside the beltway, people are concerned about the recent dramatic escalation in home prices and rents, and the impact on low-income people.
- In **Hampton Roads**, there is concern that income is growing more slowly than in other urban areas, thereby compounding housing affordability problems.
- In the **Richmond** area, **Hampton Roads**, **Southside** and the **Eastern Shore**, where the black population is large, there is particular concern about discriminatory and predatory lending practices.
- In the **Richmond** and **Roanoke** areas, where poverty is highly concentrated, there is particular concern about housing deterioration and neighborhood decline.
- In **Southwest Virginia**, the **Northern Neck/Middle Peninsula** and the **Eastern Shore**, there is particular concern about environmental barriers and the lack of infrastructure for housing development.
- In **Southside**, **Southwest Virginia** and the **Eastern Shore**, where poverty levels are extremely high, there is concern about the impact of limited economic opportunities.

Today, there are two very different sets of housing markets in Virginia.

In the north and east, housing markets are struggling with issues related to growth.

To the north and east of Interstate 64, is a group of urban and rural housing markets that, generally, have experienced considerable growth over the past decade. In these areas, the rapid increase in households has outstripped the growth in housing, especially the stock of multifamily units. As a result, these markets are experiencing declining rental and homeowner vacancy rates and escalating housing costs. For the lowest income populations, this is creating a rapidly widening gap between their income and housing costs.

Many of the markets where the lowest income populations face a large affordability gap are also areas with relatively low ratios of federal deep rental subsidy assistance per renter household. In addition, many of these markets are experiencing a growing reliance on tenant-based deep rental subsidies at a time when declining rental vacancies and declining landlord participation make effective use of those subsidies extremely difficult.

In urban markets, rapid growth in suburban and outlying localities is exacerbating the large disparities between those jurisdictions and the core localities of their regions. Poverty and assisted housing opportunities are increasingly concentrated in older core localities to the detriment of adequate housing choice and access to employment opportunities. The rapidly growing immigrant population is also posing significant new challenges in these markets.

In the south and west, slower growth poses challenges of an aging housing stock and weak purchasing power.

To the south and west of Interstate 64, is a very different group of urban and rural housing markets that, generally, have not fully shared in Virginia's recent growth. These markets have experienced lower increases in jobs, income, and households, and have higher rates of poverty. In many of these markets, there have been limited increases in multifamily housing and significant reliance on manufactured homes.

Slower economic and population growth have left these markets with a higher proportion of housing that is older and in need of repair or replacement. Most of these markets have higher ratios of deep subsidy rental units per renter household than their northern and eastern counterparts, but many of those units are in older, deteriorating projects that now require reinvestment.

Demographic changes will pose new challenges this decade.

During the 1990s, much of the assisted housing development served the elderly.

During the 1990s, there was considerable development of new assisted and deep subsidy rental housing throughout Virginia to address the needs of the rapidly growing elderly population. This was true in all markets, but especially in areas that previously had limited assisted and deep subsidy elderly housing.

There has been relatively less development of assisted rental housing serving non-elderly households. This has been especially true for units with deep rental subsidies. In part, this was due to the federal allocation of subsidy resources (i.e., there was more funding for elderly housing with deep rental subsidies than for housing serving non-elderly persons). It also reflected a policy shift that emphasized homeownership programs over rental assistance for non-elderly households in light of the aging adult population.

This decade, more rental housing serving non-elderly households will be needed.

This decade, shifts in housing demand will call for a somewhat different allocation of resources. There will again be significant growth of young adult households as the baby boom echo generation matures and enters the housing market. Young adults have the highest propensity to rent as a result of both lifestyle choice (many are still single and highly mobile) and economic necessity (they are earning entry level wages and have not yet had the opportunity to save for major household expenses including home purchase). Therefore, demand for affordable rental housing will increase.

The growth in demand for affordable rental housing will pose considerable challenges in the northern and eastern portions of Virginia where rental housing development has been insufficient to meet demand and where the existing stock of affordable rental housing continues to shrink significantly as a result of owner prepayments, opt-outs from federal subsidy programs, and the demolition of deteriorated and obsolete units.

Elderly demand will shift from independent living units to service-rich housing and assisted living facilities.

At the same time, the number of elderly persons aged 75 to 84 years will grow slowly following a decade of rapid increase. This is the age group that forms the core demand for independent living senior apartments. Growth in the elderly population will be concentrated in households under age 75 and over age 85. The former have a very high and increasing rate of homeownership and so are unlikely to demand significant additional assisted senior rental units. The latter are at an age when frailty causes disability rates to increase rapidly. Therefore, demand will continue to be high for affordable service-rich housing and assisted living alternatives. This will pose considerable challenges due to the current lack of adequate service subsidies to support such developments.

Further increases in the homeownership rate will be difficult unless minority disparities are reduced.

Racial and ethnic minority populations are increasing much faster than non-Hispanic Whites, and represent a large and growing share of the population in most housing markets. However, their housing conditions continue to lag behind those of non-Hispanic Whites. There are still wide disparities in the homeownership rates for racial and ethnic minorities and for non-Hispanic Whites. In many housing markets, those disparities have widened since 1990, with minority homeownership rates experiencing declines. Further increases in Virginia's overall homeownership rate will be difficult to achieve unless large racial and ethnic disparities are reduced.

Demand for housing serving people with disabilities will continue to increase.

Demand for affordable housing among people with disabilities will continue to increase rapidly due to:

- The unresolved need to provide community living alternatives to institutional placement
- The continued increase in life expectancy among disabled people
- The advanced age of many family care givers

Meeting this need will be difficult due to the the very low incomes of many disabled people. Any substantial increases in their income will likely occur gradually over time. Meanwhile, a large share of people with severe disabilities will continue to require deep subsidy assistance in order to access suitably bcated housing that is adequate to meet their needs.

Background

Project purpose

In the fall of 2000, Virginia Secretary of Commerce and Trade Barry E. DuVal directed the Department of Housing and Community Development (DHCD) and the Virginia Housing Development Authority (VHDA) to jointly conduct a statewide assessment of housing needs. An adequate supply of safe, sound, affordable housing is a vital component of the Commonwealth's continued economic prosperity. This needs assessment is intended to examine the current state of housing in Virginia and identify the major housing issues facing the Commonwealth this decade.

Assessment of housing needs is an ongoing activity for VHDA and DHCD. Within the past two years, VHDA and DHCD have carried out substantial analyses of:

- housing needs of persons with disabilities
- issues related to the need for and development of affordable assisted living facilities

The purpose of the current needs assessment project is to provide direct public input on perceived housing needs and priorities, and objective information on the conditions and trends impacting these needs in Virginia—in particular, regional differences in those conditions and trends—in order to better inform strategic decision-making by VHDA's and DHCD's management and boards regarding the allocation and use of current state-administered housing resources.

Regional Focus

An additional purpose is to provide consistent information on state housing needs to help align and coordinate state-level programs. Whereas past assessments of needs have had a statewide focus, this project has looked at housing needs within 21 urban and rural housing markets in order to provide a better understanding of:

1. regional differences in housing needs across Virginia;
2. the current distribution of federal and state housing assistance;
3. the appropriate balance of needs that VHDA and DHCD should address; and
4. the appropriate future geographic allocation of resources.

Regional Housing Forums

A central part of the project was a series of regional housing forums that were held in nine locations across the state in March and April 2001. These meetings provided opportunities for broad public input. They were **not** public hearings. Instead, they provided facilitated small group discussions of housing issues and a structured process for identifying and prioritizing needs.

Project Direction and Oversight

An advisory group of members of the VHDA and DHCD boards has overseen the project. A group was also organized to involve stakeholders in the project. This group included persons from

15 statewide organizations representing the full array of housing interests. The stakeholder group met in early January 2000 to provide input on the study process and again in the late spring to hear an overview of the public input received at the regional housing forums.

Analysis of Quantitative Data

VHDA and DHCD staff has analyzed available housing and economic data in order to shed light on the trends and conditions underlying and driving the housing issues identified in the regional forums. Data analysis has included:

3. a review of 2000 Census data released in early and late summer 2001; and
4. assemblage of the first complete statewide inventory of federal and state assisted rental housing since the early 1980s.

Data has been collected on federal and state assisted housing in place in both 1990 and 2000 in order to look at the distribution of housing assistance relative to need and how this has changed over the past decade.

Delineation of 21 Housing Market Areas

In response to the need to better understand regional differences in needs, conditions and trends, data has been collected for 21 separate market areas in the state. For purposes of data collection and analysis, these markets have been organized into four broad groups reflecting their relative size and degree of urbanization.

- Large metropolitan market areas
- Small metropolitan market areas
- Non-metropolitan urban market areas
- Rural market areas

The 21 market areas conform to the new official standards recently adopted by the federal government for classifying metropolitan and non-metropolitan areas. [Note: The U. S. Office of Management and Budget (OMB) will not formally re-designate metropolitan areas using the new standards until 2003 following the release of 2000 Census commuting data.]

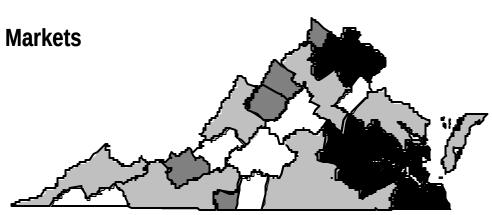
Housing Market Areas

Large Metropolitan Markets
- Washington-Arlington (VA portion)
- Hampton Roads (VA portion)
- Richmond

Small Metropolitan Markets
- Roanoke
- Lynchburg
- Fredericksburg
- Charlottesville
- Danville
- Kingsport-Bristol (VA portion)

Non-Metropolitan Urban Markets
- Blacksburg
- Staunton-Waynesboro
- Harrisonburg
- Winchester
- Martinsville

Rural Market Areas
- Cumberland Plateau
- Southern Blue Ridge
- Alleghany Highlands
- Northern Valley-Piedmont
- Northern Neck-Middle Peninsula
- Southside
- Eastern Shore



Housing Need Analysis Report

This report provides a summary of the housing needs and priorities identified through the nine regional housing forums and a high-level look at the principal conditions and trends impacting housing needs based on currently available data and information. The report is **not** intended to:

1. address all housing policy issues—its focus is on information needed to better inform program and policy development by VHDA and DHCD;
2. provide direct answers to policy questions—however, it should provide decision-makers with a more informed basis from which to consider issues; or
3. provide a lengthy compendium of housing related data.

Future Data Collection and Analysis

Additional quantitative assessment of housing needs will be undertaken by DHCD and VHDA in FY 2003 following the release of detailed 2000 Census housing data. That data will provide information on household income and the share of income being paid by renters and homeowners for housing costs. It will also provide information on the age and condition of the housing stock and issues such as housing crowding. Until that data is available, it is not possible to determine the number or share of households in Virginia as a whole or in specific housing markets, that are experiencing specific housing problems or combinations of problems.

Other Housing Data Needs

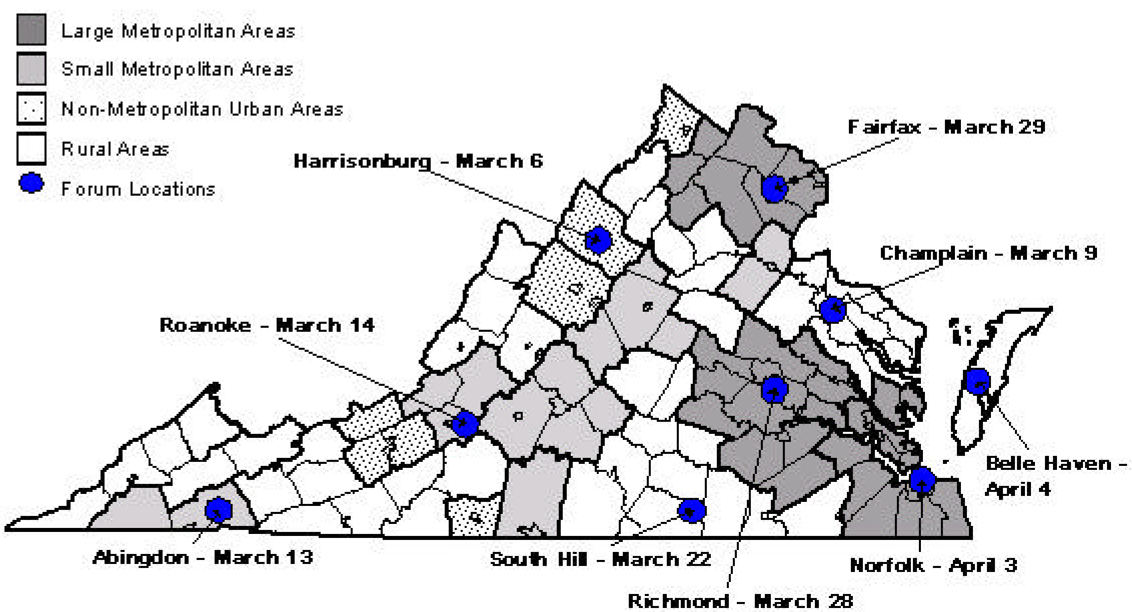
This report has not attempted to assemble data that is needed by housing groups in order to: carry out local, regional and project-level housing plans; document housing needs in applications for funding; or to carry out advocacy activities. Assemblage of and provision of access to such data is the primary responsibility of local planning bodies, regional planning district commissions, and—at the state level—the Virginia State Data Centers and the Virginia Center for Housing Research, which is expected to continue its leadership role in serving housing information needs.

Priority Housing Issues and Needs

Regional Housing Forums

In March and April of 2001, DHCD and VHDA convened a series of nine regional housing forums across Virginia in order to solicit public input on housing needs and identify priorities among the housing policy issues to be addressed. Each forum was a half-day open public meeting that consisted of small, facilitated group discussions of housing issues identified by participants. In Fairfax, both morning and afternoon sessions were held. A voting process was used within each discussion group to prioritize identified issues and get an overall sense of public priorities.

Housing Forum Locations



The feedback from forum participants regarding the process used was extremely positive. Altogether, nearly 700 people participated in the nine forums. Attendees were divided into 70 separate discussion groups that offered 983 individual suggestions, of which 311 (32 percent) were ranked as "priorities." Priorities were generally considered to be identified issues and needs that had four or more votes within a discussion group, though some issues/ needs with only three votes were included if the group voting was very broad.

A number of common issues emerged in the forums. There were nine common issues that carried through all nine meetings. There were also a number of issues that were common to urban or rural areas. Nonetheless, in some regions public input had a unique focus or expressed a particular concern. In all, the issues and needs identified and prioritized at the nine forums are consistent with and supported by the available quantitative data on housing conditions and trends. Therefore, the findings from the forums serve as a consensus view of current needs and priorities.

Following are summaries of each of the key issues arising from the forums.

Nine Common Statewide Issues

1. There is a growing gap between income and housing costs for very low-income people.	• In rapidly growing urban areas, increased demand is driving housing costs beyond the means of low-income people. • In rural areas adjacent to urban growth centers, commuters, retirees and other newcomers with higher incomes are bidding up housing costs. • In slower growth areas, incomes of low-income households are not keeping pace with rising housing costs
2. There is a shortage of affordable rental housing.	• There is insufficient rental housing affordable to very low-income people. • Bridging the affordability gap is hindered by the increased unwillingness of landlords to accept Section 8 vouchers or maintain deep project-based subsidies on their rental properties.
3. Much of the housing available to very low-income people is in poor condition.	• Vacant rental housing that is affordable to very low-income people is often in poor condition. • Many elderly and disabled homeowners on fixed incomes need assistance with home maintenance and repair.
4. Very low-income people face limited location choices for affordable housing, which restricts their access to services and employment.	• In urban areas, affordable housing choice is often limited to undesirable neighborhoods/locations that may not be accessible to employment and services. • In rural areas, affordable housing is often widely scattered which also hinders access to employment and services.
5. Disabled, elderly and homeless people have unmet needs for housing linked to services.	• There is insufficient permanent housing with support services for people with special needs • There is a shortage of transitional housing for the homeless and people leaving institutional settings. • There is a lack of accessible housing affordable to disabled people. • Elderly and disabled homeowners need assistance with home modifications and access to services.

6. Credit problems and inadequate financial management/life skills are barriers to home purchase and to obtaining adequate rental housing	• Many would-be homebuyers lack the credit history/standing necessary to qualify for a loan. • Credit problems are also a barrier for renters • Credit problems are related to inadequate financial management/life skills. • Consumers lack adequate understanding of the responsibilities of homeownership.
7. There is a lack of public awareness and support for housing issues—therefore, affordable housing is not a local priority	• Economic prosperity has improved the housing situation for the majority of citizens. • Critical housing needs are less visible than they once were. • There is a growing "not-in-my-backyard" (NIMBY) attitude that undercuts resolution of critical unmet needs.
8. Fiscal pressures on localities have caused housing to be viewed as a "cost"—this has led to local barriers being imposed on affordable housing development.	Numerous local zoning, regulatory and fee requirements are being imposed on housing—e.g.: o Limited zoning for multifamily housing o Minimum lot sizes and a variety of restrictive covenants for single family homes o Restrictions on the use of manufactured housing o Imposition of impact fees, proffers and utility hook-up fees
9. Changes are needed to local, state, and federal programs to better address housing needs.	• There are a variety of barriers to accessing assistance including inflexible program guidelines that limit participation and preclude some needs. • In rural areas, program administrative requirements are seen as burdensome by local housing organizations that have limited administrative capacity.
Common Urban Issues	
1. There is a lack of a holistic approach to housing.	• Housing is not sufficiently integrated into local planning. • There is a disconnection between planning for economic development, transportation, and housing. • There is not a regional approach to housing.

Common Urban Issues (continued)

2. Concentration of affordable housing in limited areas results in disinvestments by landlords and neighborhood decline.	• There are barriers to developing mixed income housing and to integrating affordable housing throughout communities (e.g., "not-in-my-backyard" attitudes). • Limited housing choice relegates many low-income people to undesirable and/or unsafe areas with inadequate amenities and services.

Common Rural Issues

1. There are multiple constraints on the development of new affordable housing.	• There is insufficient developable land for housing in many rural areas as a result of: o Inadequate water/sewer service o Environmental challenges to development (e.g., steep topography in mountain areas; wetland runoff and other environmental restrictions in the Chesapeake Bay area). o Land ownership (e.g., otherwise available sites are often encumbered by multiple heirs/owners). • There is insufficient organizational capacity in many areas to access and use affordable housing programs.
2. The housing stock is limited and much of the affordable housing is in poor condition.	• There continues to be a prevalence of poor quality housing in many rural areas. • Seriously substandard housing conditions (e.g., lack of complete indoor plumbing) remain a problem. • State and federal housing rehabilitation programs lack adequate flexibility to address scattered site housing that predominates in low-density rural areas.
3. There is a lack of consumer awareness of housing programs and assistance.	• Many people in rural areas with housing needs do not know where to go for or how to access available housing assistance programs. • The lack of capacity of local housing organizations and mobility barriers hinder access to housing information and services.

Particular Issues in Specific Regions

- In **Northern Virginia**, there is concern about rapid growth and its impact on housing availability and choice. Throughout the region, but especially inside the beltway, people are concerned about the recent dramatic escalation in home prices and rents, and the impact on low-income people.
- In **Hampton Roads**, there is concern that income is growing more slowly than in other urban areas, thereby compounding housing affordability problems.
- In the **Richmond** area, **Hampton Roads**, **Southside** and the **Eastern Shore**, where the black population is large, there is particular concern about discriminatory and predatory lending practices.
- In the **Richmond** and **Roanoke** areas, where poverty is highly concentrated, there is particular concern about housing deterioration and neighborhood decline.
- In **Southwest Virginia**, the **Northern Neck/Middle Peninsula** and the **Eastern Shore**, there is particular concern about environmental barriers and the lack of infrastructure for housing development.
- In **Southside**, **Southwest Virginia** and the **Eastern Shore**, where poverty levels are extremely high, there is concern about the impact of limited economic opportunities.

Conditions and Trends Impacting Housing Needs, 1990-2000

Growth in Households and Housing

Statewide, housing units increased faster than the overall population, but lagged behind the rate of increase in households.

Over the past decade, Virginia's housing stock increased by over 400,000 units (16 percent) from just under 2.5 million units in 1990 to just over 2.9 million in 2000 (Table 1).[5] Throughout the Commonwealth, the rate of increase in housing units exceeded the rate of total population growth.

The number of households also grew at a faster rate than the overall population due to the aging of the population and changing household living patterns (Table 2A). The increase in the number of housing units roughly equaled the increase in the number of households with little change in the total number of vacant housing units. However, the rate of housing unit growth lagged the rate of household growth by 1.5 percentage points. Therefore, vacant units as a share of total housing units declined, leading to tighter housing market conditions. The home-ownership vacancy rate fell from 2.1 percent to 1.5 percent, while the rental vacancy rate fell from 8.1 percent to 5.2 percent (Table 2B).

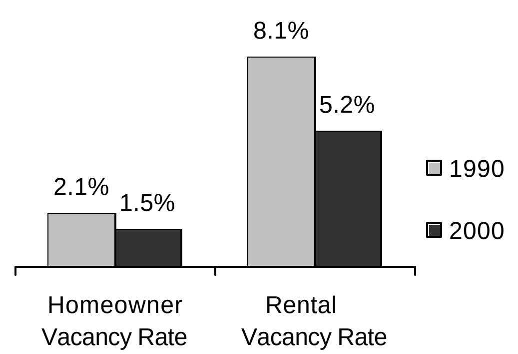
Regionally, patterns of growth diverged.

This pattern of housing and household growth did not apply uniformly across the Commonwealth. The average changes in statewide housing supply and demand masked significant divergence in population, household and housing growth among the four market area groups (large metropolitan areas, small metropolitan areas, non-metropolitan urban areas, and rural areas).

For example, the highest average rate of growth in household population was in the large metropolitan areas. The average gain in household population in those markets was a third higher than the average increase in the non-metropolitan urban areas, and was well over twice as high as the average for rural areas (Table 2A). Generally, this reflected the more robust economic growth in the large metropolitan areas.

There were also significant differences in growth patterns among the component market areas within the four housing market groups, and not all market areas exhibited the same pattern as was true for their group as a whole. [See Parts II-V.]

Housing Vacancy Rates, Virginia



Source: Table 2B

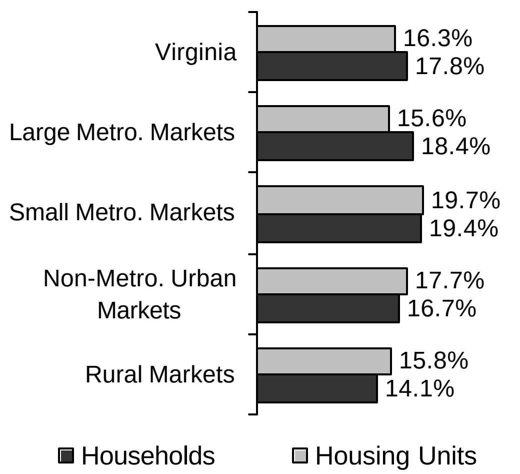
The net shortfall in housing occurred primarily in the large metropolitan areas.

As a group, the three large metropolitan housing markets experienced rates of population and household growth above

[5] Data tables are at the end of each part of the report.

those of the state as a whole. However, the rate of increase in their housing stock fell short of the statewide rate. Housing production lagged household growth by over 22,000 units (Tables 1 and 2A).

Change in Households and Housing: 1990-2000



Source: Tables 1 and 2A

As a result of the shortfall in housing production, by the end of the decade there was a substantial tightening in all three large metropolitan housing markets with strong upward pressure on home prices and rents. Average homeowner and renter vacancy rates fell by half from 2.5 percent to 1.3 percent and from 8.8 percent to 4.6 percent respectively (Table 2B).

It is too soon to know whether the lag in housing production in large metropolitan areas will be temporary or long-term.

A very substantial ramp-up of household growth and housing demand occurred subsequent to 1997. Such large and unanticipated increases in demand frequently encounter a lag in housing market response. A very large inventory of new housing is currently coming to market in the large metropolitan areas to help meet this demand. There is as yet insufficient data from which to draw conclusions as to whether units now leaving the pipeline will be sufficient to ease currently tight vacancies.

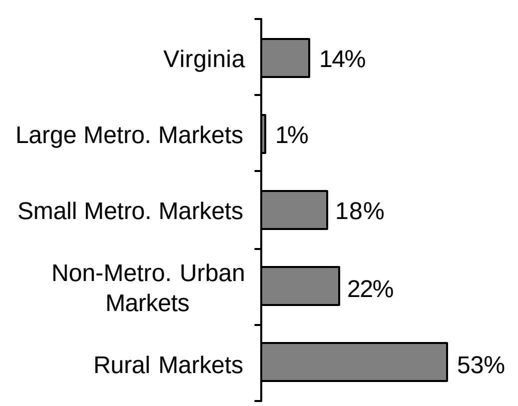
In smaller urban and rural areas, the increase in housing equaled or exceeded household gains.

In contrast, the average rate of increase in housing units in the small metropolitan, non-metropolitan urban, and rural markets was higher than in the large metropolitan areas, and equaled or exceeded household growth. This resulted in steady or somewhat higher average vacancy rates that helped maintain affordability (Table 2B).

Manufactured housing comprised a majority of new units in rural areas.

Manufactured housing units comprised over half of the net increase in housing in rural areas during the 1990s (Table 1). This compares with only one percent in the large metropolitan areas, 18 percent in small metropolitan areas, and 22 percent in non-metropolitan urban markets. In the Cumber-

Manufactured Housing's Share of Total Increase in Housing Units: 1990-2000



Source: Table 1

land Plateau area, the entire net increase in housing was comprised of manufactured units. The significant use of manufactured housing outside the large metropolitan areas helped sustain housing affordability in those regions and enabled their housing markets to respond more readily to higher housing demand.[6]

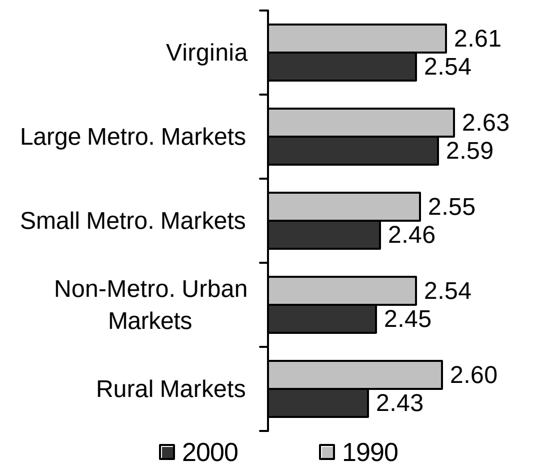
Outside the large metropolitan areas, housing demand remained strong due to continued household growth.

Rates of housing production were relatively high even in those rural markets and smaller urban markets with weak population growth. Outside the large metropolitan areas, the average rate of household growth exceeded the rate of growth in household population by over 5.5 percentage points due to declining average household size. Therefore, housing demand in those markets remained strong despite average population growth that was slower than in the large metropolitan areas.

There has been a marked divergence in average household size between the smaller urban and rural markets and the large metropolitan areas.

In most markets outside the large metropolitan areas, average household size continued a long-term trend and fell considerably during the 1990s, due to an aging population and a significant decline in the proportion of households with children under age 18. Whereas, in 1990 average household size in rural areas was second largest among the four market area groups, by 2000, it was the smallest (Table 7).

Average Household Size: 1990 and 2000



Source: Table 7

In contrast, in the large metropolitan housing markets, the proportion of households with children held steady or declined only slightly, thereby moderating the decline in household size. By 2000, average household size in the three large metropolitan areas exceeded average household size in smaller urban and rural markets by from five percent to seven percent (Table 7).

Income and Purchasing Power

There was strong growth in employment and earnings.

During the 1990s, robust economic growth raised the overall living standards of most Virginians. While the soaring stock market helped increase the wealth of middle and higher income households, strong job growth improved the economic situation of households of more modest means. The rate of increase in jobs was nearly 40

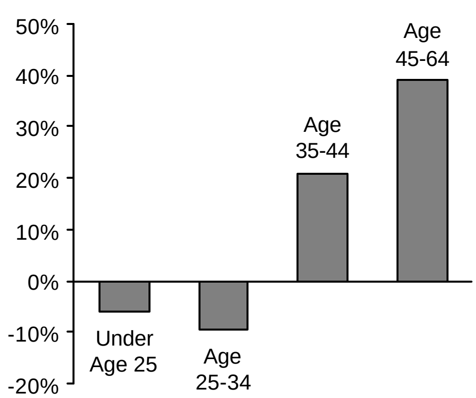
[6] The estimates of the manufactured housing stock for 1990 and 2000 are based on annual DMV data by locality that are maintained as part of state tax collection activities. DMV figures for 1990 exceed the numbers in the 1990 Census. This is likely due to some manufactured homes that were placed on permanent foundations failing to get reported as mobile homes by respondents to the Census.

percent higher than the increase in the civilian labor force. As a result, unemployment in Virginia fell from 4.3 percent in 1990 to just 2.2 percent in 2000. The strong growth in jobs and historically low unemployment also contributed to higher real incomes. Inflation-adjusted per capita income in Virginia rose nearly 14 percent between 1990 and 1999, from $26,200 to $29,800 in constant dollars (Table 4).

A shift in the age distribution of the working-age population raised average incomes.

Between 1990 and 2000, the number of adults age 35-64 increased by over 30 percent, accounting for fully 75 percent of total population growth. This is the stage of the life in which earnings and purchasing power normally peak and households are able to "trade up" to larger and better housing. In contrast, the number of young adults age 20-35 years declined by nearly 9 percent (Table 6A). This helped to reduce the share of working-age households with more limited means.

Change in Working Age Population, Virginia: 1990-2000

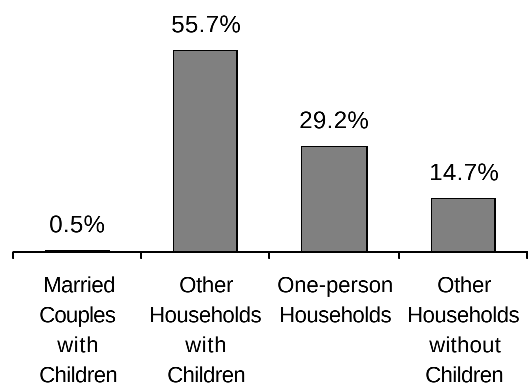


Source: Table 6A

The effects of changing household composition on income were mixed.

Statewide, the proportion of households with children under 18 years declined. This helped contribute to falling household size and increased per capita income. Offsetting this trend was a marked increase in the number and share of children living in single parent households. Such households, on average, experience lower income than two-parent households (Table 7).

Change in Number of Households by Type, Virginia: 1990-2000



Source: Table 7

Initially, the lowest income groups did not fully benefit from economic expansion.

The poverty rate in Virginia and other states increased during the early part of the 1990s, as a result of several factors: (1) the impact of the economic recession at the start of the decade; (2) downward pressure on real wage rates; and (3) a decline in the real minimum wage. The poverty rate then stabilized between 1993 and 1997 as unemployment fell to very low levels and real wage rates again increased (Table 5).

Poverty declined significantly in the latter part of the 1990's.

By the end of the decade, increases in the minimum wage and tight labor markets drove down the poverty rate. According to the Census Bureau, since 1997, Virginia has been one of seven states to experience a statistically significant decline in the poverty rate. The Bureau's estimate of an 8.4 percent rate of poverty for 1998-1999 is well below both the decade high of 12.0 percent and the rate of 10.2 percent in 1989. Updated local data on poverty is not yet available, but the size of the statewide decline suggests that improvements were likely to have been broadly distributed across housing markets.

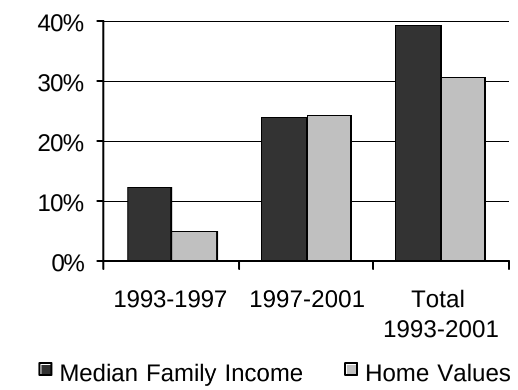
Overall Housing Affordability

Home prices remained stable or declined during the first half of the 1990s.

Following the initial recovery from the 1990-91 recession, home purchases grew in response to pent-up demand and increased purchasing power. However, except for the Johnson City-Kingsport-Bristol MSA where home prices took a significant jump, there was a sufficient supply of homes for sale in the metropolitan housing markets so that home prices declined or showed little appreciable rise after adjustment for inflation (Table 9C). [7]

Several factors contributed to an adequate supply of homes for sale in metropolitan areas during the early and mid-1990s: (1) substantial construction of new homes; and (2) the large number of existing homes made available for sale due to "trading up" by the burgeoning number of middle age homeowners and increased movement into senior care facilities by the growing population of persons age 85 and older.

Change in Median Family Income and Home Values, Virginia: 1993-2001



Source: Table 9C

During the late 1990s, home prices began to rise rapidly.

Beginning in 1997, the rate of economic and income growth accelerated throughout Virginia fueling higher demand for home purchase in most market areas. This was especially true in the large metropolitan markets where, in spite of robust single-family home construction, demand increased faster than the increase in the for-sale

[7] The Office of Federal Housing Enterprise Oversight (OFHEO) measures changes in single-family home prices over time in metropolitan housing markets using an extremely large database on home sale activity provided by Fannie Mae and Freddie Mac. This data is used to derive an index of average price changes in repeat sales and refinancings on the same properties. This is the most reliable data on real changes in home appreciation over time. It was not possible to re-aggregate published OFHEO data to directly correspond to the market areas used in this report. Therefore, data in Table 9C is reported for metropolitan statistical areas (MSAs). These areas sufficiently correspond to the metropolitan market areas used in this report for the data to accurately reflect trends. It should be noted that the Washington DC MSA includes both the Washington-Arlington and Fredericksburg market areas. Comparable data is not available for non-metropolitan areas.

inventory. Between 1997 and 2001, home prices increased faster than median family income in all metropolitan markets except for the Johnson City-Kingsport-Bristol MSA and the Lynchburg MSA. In the Johnson City-Kingsport-Bristol MSA, home price increases moderated somewhat following a steep run-up during the mid-1990s (Table 9C).

So far, rising home prices have been more than offset by lower interest rates.

The sales price of homes is but one factor in the affordability of home purchase. Borrowing costs are equally important. From 1990-1994, the interest rate on 30-year fixed-rate mortgage loans averaged 8.70 percent compared to 10.70 percent during the period 1985-1989. This represented a 16 percent savings in principal and interest payments. Rates fell further from 1995-1999 to an average of 7.54 percent. This represented an additional 10 percent reduction in the cost of principal and interest. The significant lowering of borrowing costs more than offset the effect of rising home prices in all markets. Consequently, home purchase remained relatively more affordable in the 1990s compared to the 1980s.

Rental affordability appears to have also increased for most households.

A similar pattern of affordability appears to have occurred with rental housing. Available data suggests that inflation-adjusted rents were either stable or falling during the early and middle 1990s. Only in the last two years have rents begun to rise significantly in response to tightened market conditions. The "Fair Market Rents" (FMRs) as determined by HUD for the period 1997-2001 showed no real increases in inflation-adjusted rental costs (Table 9A). Nonetheless, local rent surveys, particularly in the Virginia portion of the Washington-Arlington market area, point to recent sharp spikes in rents that are not yet reflected in the FMRs. HUD too recognizes that recently the three large metropolitan rental markets have become quite tight and that the FMRs do not adequately reflect the true rents that tenants must pay in order to access the limited number of units now available in the marketplace. Therefore, HUD has reset FMRs in those markets from the 40th to the 50th percentile of prevailing market rents.[8]

Affordability Barriers

Despite overall increases in affordability, not all groups benefited.

Average or median conditions are often used to gauge the level of various housing needs. However, such measures can mask significant needs when there are wide disparities between conditions and trends for "typical" households or communities and particular groups. This was the case during the 1990s in regard to housing affordability and rate of homeownership.

[8] Rental affordability is difficult to measure at the local level due to the limited availability of comprehensive and timely data on rental rates for specific housing markets. The one available statewide measure of prevailing local rent levels is "Fair Market Rents (FMRs)" which are established annually by HUD based on surveys of actual rents being charged in the marketplace. While useful, FMRs are imperfect measures that often fail to capture intra-market differences within very large metropolitan housing markets (e.g., Washington-Arlington) and, likewise, are only a rough measure for rural and smaller urban areas where survey areas may cover a large and diverse set of markets. Also, the methodology for determining FMRs has changed over time, making it difficult to accurately compare changes in rents between 1990 and 2000. Nevertheless, available data appear to show a general pattern of increased affordability over the course of the past decade.

High levels of consumer debt and declining savings have left many households less able to afford housing.

Consumer debt levels swelled during the 1990s, leaving many low- and moderate-income households less able to balance major expenses including housing. Household consumer debt-service payments (excluding mortgages) increased as a share of disposable personal income from an average of 6.1 percent in the 1st quarter of 1994 to 7.9 percent in the 1st quarter of 2001.[9] This does not include child-care expenses and outstanding medical bills that consume a significant portion of the disposable income of many low- and moderate-income households.

During this same period, personal savings as a share of disposable income fell from 7.1 percent to 1.1 percent.[10] For many households, heavy debt loads, poor credit histories, and lack of savings have become as significant barriers as income to accessing adequate rental housing or purchasing a home.

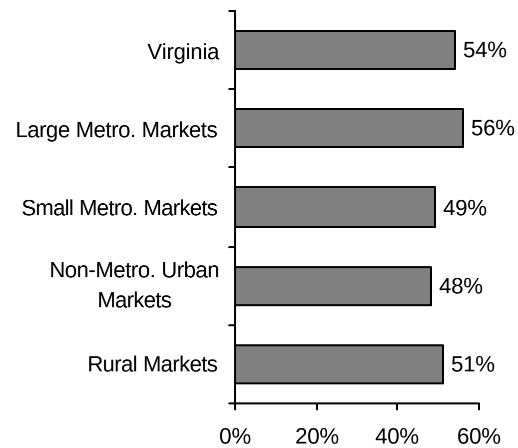
Annual Personal Savings as a Share of Disposable Personal Income: 1990-2000

Source: Bureau of Economic Analysis

[9] Federal Reserve Board
[10] Bureau of Economic Analysis

Low-income people still cannot afford basic, standard quality, unassisted rental housing anywhere in Virginia.

Minimum Income Needed to Afford a Standard One-Bedroom Rental Unit as a Share of Area Median Income: 2001



Source: Table 9A

The housing affordability standard established by the federal government is payment of no more than 30 percent of gross income for rent and utilities. Using this standard, on average the minimum income required for a Virginia household to afford adequate rental housing at prevailing market rents ranges from just under $24,000 (54 percent of median income) for a one-bedroom unit, to over $28,000 (50 percent of median income) for a two-bedroom unit, to nearly $39,000 (57 percent of median income) for a three-bedroom unit (Table 9A).[11]

[11] Estimates are based on current HUD "Fair Market Rents" and HUD estimates of median family income with adjustments for family size. The following household sizes were used to estimate the percent of area median income for units of various bedroom sizes: one-person household for a one-bedroom unit; three-person household for a two-bedroom unit; and a five-person household for a three-bedroom unit.

The gap between the cost of adequate housing and the resources of the lowest income populations is extremely large.

The lowest income populations—homeless people, people with disabilities, seniors depending primarily or exclusively on Social Security income, and minimum wage workers—all experience an extremely large gap between their limited incomes and the cost of adequate rental housing. Typical persons in the lowest income groups must pay an average of over 40 percent of income for rent and utilities in the lowest cost rural markets to as high as 160 percent or more of income in the Virginia portion of the Washington-Arlington market area in order to access adequate rental housing (Table 9B).

Large numbers of homeless people still seek assistance in both urban and rural areas of Virginia.

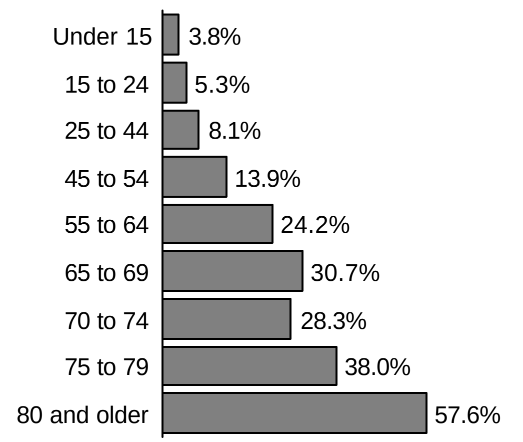
In Virginia, in FY 2000:

- 17,000 children were homeless or living in seriously substandard conditions
- 24,800 people received homelessness aid from shelter providers
- 35,000 people were denied shelter due to lack of beds.[12]

There are large numbers of people with serious disabilities.

Nationally, in 1997, over 12 percent of the total non-institutional population had a severe disability[13]. Although the prevalence of chronic disabilities among people of a given age is declining, prevalence rates increase with age. Therefore, with an aging population, overall prevalence rates are holding steady or increasing.

Prevalence of Severe Disabilities by Age: 1997



Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation: August – December 1997

People with disabilities have much lower incomes than the general population.

People with severe disabilities have a much higher likelihood of having low-income and living in poverty than non-disabled people. For example, nationally in 1997, among non-institutionalized people age 25 to 64 years old with a severe disability:

- 20 percent received Supplemental Security Income (SSI)
- 42 percent lived in a household with an annual income below $20,000 compared to 14 percent of those with no disability
- 28 percent lived below the poverty level compared to eight percent of those with no disability

Among non-institutionalized people age 21 to 64 years old, those with a severe disability:

- had an employment rate of 31 percent compared to 84 percent for non-disabled people

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[12] FY 2000 statewide survey of homeless assistance providers.

[13] U.S. Census Bureau, 1996 Survey of Income and Program Participation: August-December 1997.

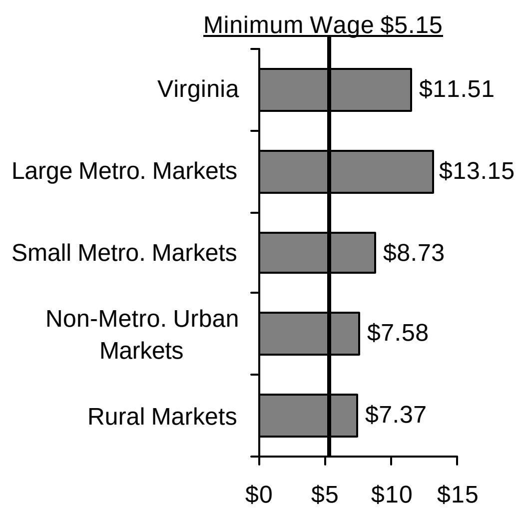
- had median employment earnings of just $13,272 compared with $23,654 for non-disabled people

The share of very low-income seniors has declined but their number is still large.

In general, the economic situation of the elderly population has continued to improve both in absolute terms and relative to other age groups. Fewer seniors today than in the past rely exclusively on Social Security benefits. Nevertheless, for the minority who do, those benefits are insufficient to afford a one-bedroom apartment in any market area in Virginia. The share of income a senior receiving the average Social Security benefit has to pay in order to lease an apartment at the prevailing market rate ranges from over 50 percent in the lowest cost rural markets, to over 90 percent in the Fredericksburg area (Table 9B).

The gap between the income of low-wage workers and market rents is quite large.

Full-Time Hourly Wage Needed to Afford a One-Bedroom Rental Unit: 2001



Source: Table 9A

Despite rises in the minimum wage in 1996 and 1997 (currently $5.15/hour), most low-wage workers cannot afford the prevailing rent for a standard one-bedroom apartment in any market area in Virginia. Currently, the minimum full-time hourly wage needed to afford such housing ranges from $7.00/hour in the lowest cost rural housing markets to nearly $17.00/hour in the Virginia portion of the Washington-Arlington market. In three housing markets—Washington-Arlington, Richmond and Fredericksburg—even two full-time minimum wage incomes are insufficient to afford a one-bedroom apartment at the prevailing market rent (Table 9B).

Homeownership

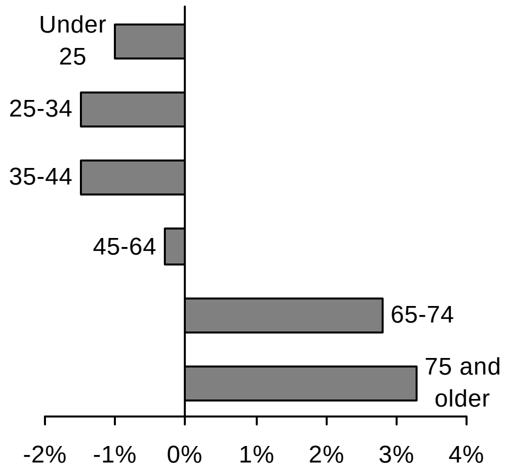
The overall rate of homeownership rose in most market areas.

One apparent effect of favorable economic and demographic trends was a rise in Virginia's overall home ownership rate to a new record level of 68.1 percent (Table 2). The overall rise in homeownership was most pronounced in the large metropolitan areas where homeownership has historically lagged behind the statewide rate and where the economic gains of the 1990s were greatest. On average, the increase was least in the small non-metropolitan urban markets where rising enrollments at Virginia Tech and James Madison University created new rental housing demand, and where weak economic conditions in the Martinsville area ran counter to statewide trends.

Despite an overall rise, homeownership declined for working-age households.

As during the 1980s, the entire increase in the rate of homeownership was among elderly households (Table 3B). For seniors, the continuing rise in homeownership is due

Percentage Point Change in Homeownership Rate by Age of Householder, Virginia: 1990-2000



Source: Table 3B

to high levels of homeownership established several decades ago when those households first purchased homes. Therefore, the rise in the overall homeownership rate can be attributed to neither the increased affordability of purchasing a home nor the stronger economic conditions that prevailed throughout much of the 1990s.

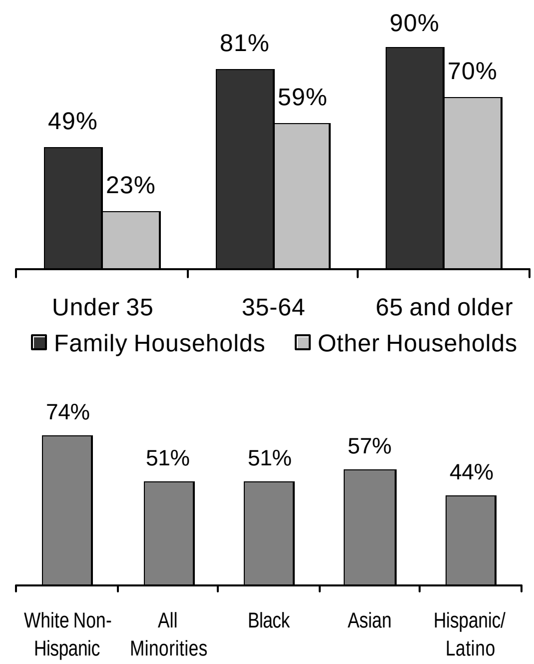
Lower homeownership among working-age households did not mean that home purchase was less affordable.

Current available data does not provide any definitive explanation for declining homeownership among working age adults. Nevertheless, it does provide some evidence that the chief cause was not any overall decline in affordability. In many cases, the youngest households saw smaller declines in homeownership (in some cases they even had small increases) than older households that, on average, tend to have higher incomes and more purchasing power (Table 3B). This is in contrast to the 1980s when interest rates were high and the largest declines in homeownership occurred among the youngest households.

Lower homeownership appears to be attributable mainly to wide disparities in homeownership among different groups.

There are still wide disparities in homeownership among different household types and among different racial and ethnic groups. Census data show that family households[14] have a much higher homeownership rate than other households and whites continue to have substantially higher homeownership rates than racial and ethnic minorities.

Homeownership Rate by Householder Age and Family Status, and by Householder Race/Ethnicity, Virginia: 2000



Source: Tables 3C and 3D

Note: White non-Hispanics include only persons reporting a single race. All minorities are anyone who is not white-only and non-Hispanic. Blacks and Asians include persons of mixed race and persons of Hispanic origin who are all or part black or Asian.

During the 1990s, the household types and racial/ethnic groups with the lowest

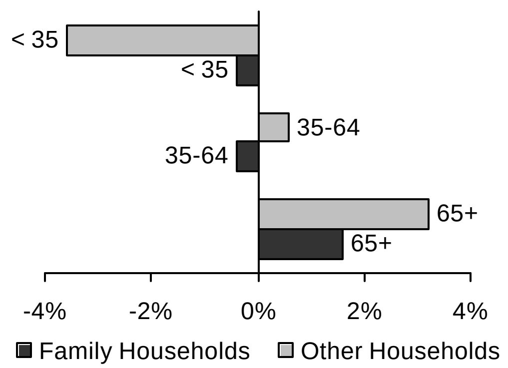
[14] This report uses the Census Bureau's definition of "family" which is a household of two or more related persons. In contrast, HUD and VHDA consider a one-person household to be a family of one.

homeownership rates grew significantly faster than other groups (Tables 7 and 8). Their larger share of total households in 2000 caused overall homeownership to drop.

There is a wide disparity in homeownership between married couple families and other household types.

Overall, families have a 75.4 percent homeownership rate compared to 52.2 percent for other households (Table 3C). However, this alone does not explain declines in homeownership because data show a decline in homeownership among families and other households alike. There is a disparity in homeownership in Virginia of comparable magnitude between married couple families and other families (e.g., single-parent families).

Percentage Point Change in Homeownership Rate by Age of Householder, Virginia: 1990-2000

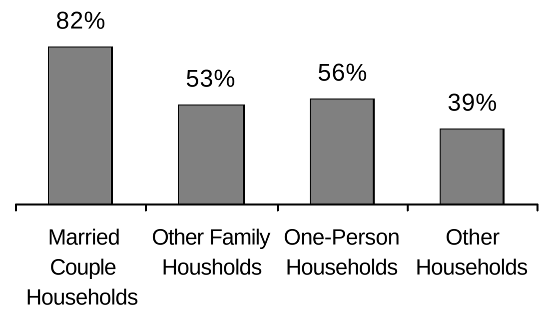


Source: Table 3C

Married couple families with children saw almost no growth during the 1990s, while other households with children increased by over 55 percent (Table 7)[15]. It can be assumed that the significant growth in single-parent families at least partly explains the decline in homeownership among families.

[15] Comparable data for 1990 is not readily available.

Homeownership Rate by Type of Household, Virginia: 2000



Source: U.S. Census

The disparity in homeownership between whites and minorities increased.

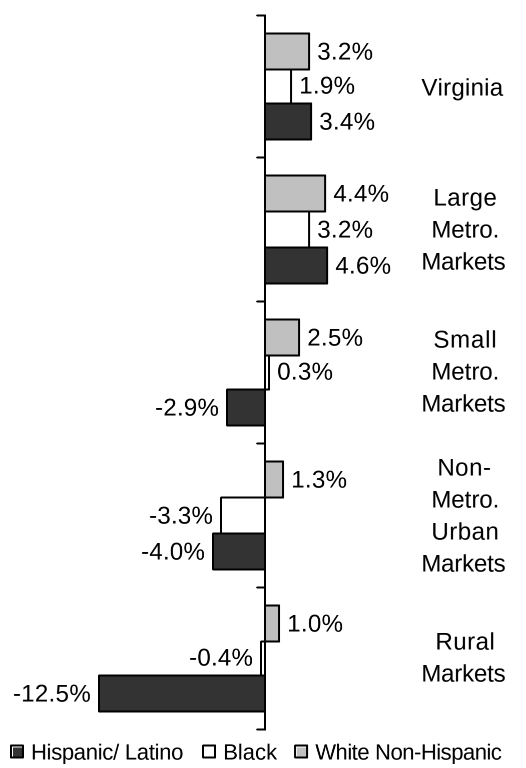
The disparity in white and minority homeownership rates increased during the 1990s, contributing to the overall decline in the homeownership rate among working-age adults (Table 3D). Accurate comparison of 1990 and 2000 Census data is hindered by the separate counting in 2000 of persons of mixed race. Nevertheless, the differentials in homeownership rates are sufficiently large that the trends shown in the data should be considered indicative of actual disparities.

In large metropolitan areas, the homeownership rate increased for all groups, but grew at a faster rate for whites than for most minorities. The exception was homeownership for Hispanics that increased at a faster rate than for whites. However, this was true only in the Virginia portion of the Washington-Arlington market which saw a very sizable increase in both Hispanic and black homeownership. In the Hampton Roads and Richmond markets, homeownership among Hispanics remained static or fell.

Outside the large metropolitan areas, the pattern was different. While homeownership increased for whites, it remained static or declined for all minority groups. The pattern for Hispanics can be partly attributed to new immigrants who have not yet fully assimilated into their local community. Outside the large metropolitan areas, the Hispanic population is comprised mostly of new immigrants whereas the Virginia portion of the Washington-Arlington area began the 1990s with an existing Hispanic population base.

In contrast, the decline in black home-ownership outside the large metropolitan areas is less easily explained, particularly the decline experienced in the non-metropolitan urban markets. The decline in black home-ownership may be related in part to shifting family patterns, but as yet too little data is available from which to draw conclusions.

Percentage Point Change in Homeownership Rate by Race and Ethnicity, Virginia: 1990-2000



Source: Table 3D

Note: Separate data for Asians for 1990 is not readily available. The comparisons shown in this chart provide only an approximate picture of actual changes. Data for 1990 and 2000 are not fully comparable due to separate counting of people of mixed race in 2000.

Housing Quality

Data documenting changes in housing quality are still quite limited, but available indicators point to steady improvements in physical housing conditions.

Federal and state programs supported investment in the rehabilitation of older large rental developments.

Since 1940, Virginia's rental housing stock has undergone a shift from a preponderance of rental units in small, scattered properties to a growing share of units in large rental developments. By the 1990s, a significant number of large rental developments had reached an age at which major reinvestment was required in order to maintain housing quality. During the 1990s, in response to this need, a substantial share of new federal and state rental housing assistance supported the rehabilitation of older existing large rental properties.

A substantial number of deteriorated and obsolete rental units were removed from the housing stock.

Where rehabilitation of older large rental developments has not been feasible and/or cost effective, public and private actions have been taken to remove such housing from the inventory. In the large metropolitan areas, over 4,300 units in older deteriorated and obsolete large rental housing developments were demolished between 1990 and 2000, and a nearly equal number of such units have been demolished or are planned for demolition since the beginning of 2000 (Table 12)[16].

[16] Demolition of these large (75+ unit) rental developments was outside the long-term trend line of ongoing housing unit losses. The total number of rental units lost through demolition is unknown.

There was renewed middle income housing investment in older core cities.

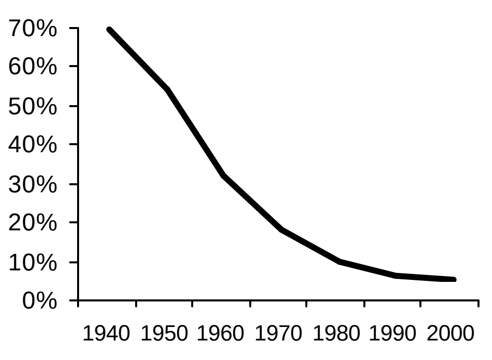
Many older core cities in the large metropolitan areas saw substantial numbers of new middle and upper income housing units created during the 1990s through the rehabilitation and upgrading of older rental units as well as through the residential redevelopment of cleared land and the conversion of commercial and industrial space to residential use.

There is also evidence of improved housing quality in other markets.

In rural areas and smaller urban markets, improvements in housing conditions are more difficult to gauge. Nonetheless, the volume of new housing production in these markets suggests that some degree of improvement has continued to occur. Even in rural areas with stagnant or declining population, the net increase in the housing stock was at least eight percent (Table1).

Units without complete plumbing declined to a small share of rural housing units.

Share of Housing Units Lacking Complete Plumbing Facilities, Virginia: 1940-2000



Source: U.S. Census and Census Bureau 2000 Supplemental Survey

The primary measure of severely inadequate housing—units lacking complete plumbing facilities—improved substantially, declining by two thirds from nearly 50,000 units in 1990 to just under 17,000 in 2000 (0.6 percent of total units). In rural areas where this problem is concentrated, units without complete plumbing are estimated to have fallen from six percent of all units in 1990 to two percent in 2000.[17]

Housing Accessibility

People with disabilities continue to have difficulty finding affordable, accessible housing that fits their needs.

In a 1999 survey by VHDA of centers for independent living (CILs), local housing authorities (PHAs) and VHDA local Housing Choice Voucher (Section 8) administrators regarding the housing needs of people with disabilities, a majority of respondents reported that their disabled clients are able to meet their rental housing needs only about half the time or less.[18] Following are problems that a majority of respondents reported to be of "high" magnitude:

- inadequate supply of accessible/ adaptable units
- accessible/adaptable units not in locations close to public transportation and/or support services
- limited number of landlords with accessible/adaptable units participating in the Housing Choice Voucher program

The following specific problems related to the overall supply of accessible/adaptable rental

[17] Census Bureau: 2000 Supplemental Survey.
[18] Study of Funding for Housing Serving People with Disabilities Pursuant to SJR 159 and SJR 456, Commonwealth of Virginia, Senate Document No. 12, 2000

units were also rated as being of "high" magnitude by a majority of all respondents:

- households cannot afford the cost of unit alterations that landlords could make
- limited number of fully accessible rental units

Federal and State Assisted Low-Income Rental Housing

Lower interest rates plus federal tax credits spurred the construction and rehabilitation of low-income rental units.

During the 1990s, over 31,500 low-income rental units were built or rehabilitated using federal Low-Income Housing Tax Credits. A substantial number of additional low-income units received direct assistance through the HUD Section 202 program, the Rural Housing Service Section 515 program, VHDA's Virginia Housing Fund, the state's Virginia Housing Partnership Fund, allocation by DHCD of federal HOME funds, and various other federal and state programs.

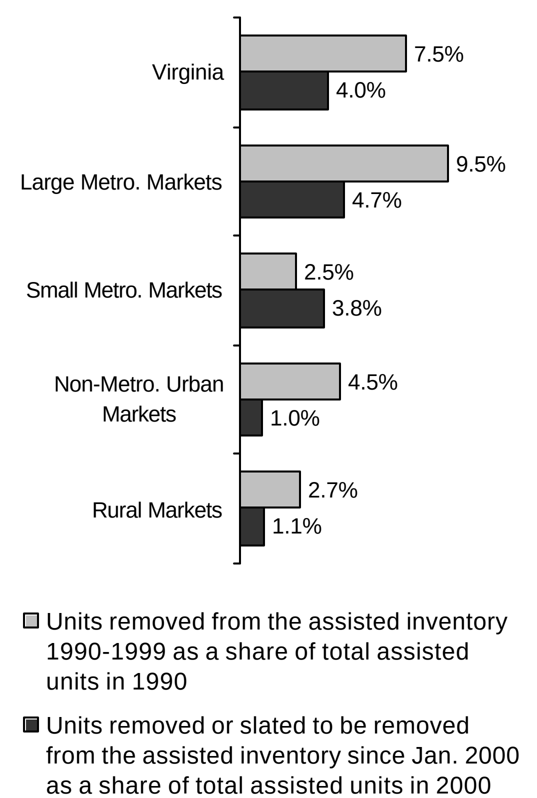
The total number of units receiving federal and state assistance did not reflect the real net increase in affordable housing units.

As noted earlier, a significant proportion of developments receiving federal and state assistance during the 1990s involved the rehabilitation of existing low-rent housing. Many of these projects had been previously financed and/or subsidized through federal and state housing programs. Other developments rehabilitated with federal and state assistance were also already a part of the affordable housing inventory. The rehabilitation of these developments made a significant contribution toward preserving the quality and affordability of the existing low-income rental housing stock. Nevertheless, rehabilitation activity did not increase the overall supply of affordable units.

A substantial number of affordable units were removed from the inventory of low-income rental housing.

During the 1990s, for the first time, a substantial number of affordable units were removed from the stock of federal and state assisted housing as a result of: (1) owner prepayment of federal or state mortgages and/or opt-out of federal rent subsidy contracts; (2) federal disposition of troubled properties; and (3) demolition of older deteriorated and obsolete housing.

Units Removed or Slated to be Removed from the Inventory of Federal and State Assisted Rental Housing as a Share of Total Assisted Units: 1990-1999 and Since January 2000

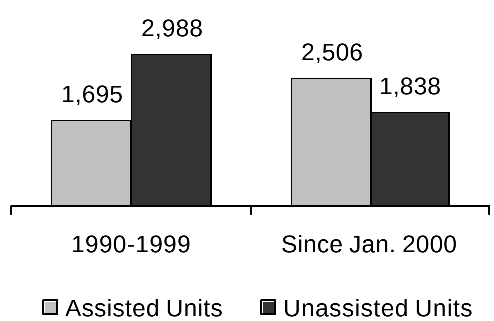


Source: Tables 10A, 10B and 11

Some developments were preserved as affordable housing (albeit at higher rents) through transfer to new owners and the receipt of new federal and state assistance. Nevertheless, there was a net loss of over 5,600 units to the inventory of housing receiving federal and state assistance. This trend has accelerated with over 4,000 additional units already lost or slated to be lost this decade (Table 11).

In the three large metropolitan market areas, nearly 3,000 unassisted units were removed from the inventory of low-income rental housing because of demolition by private property owners. This trend is continuing with over 1,800 unassisted units demolished or slated for demolition this decade (Table 12).

Demolition of Deteriorated/Obsolete Low-Income Rental Units in Large Metropolitan Areas



Source: Table 12

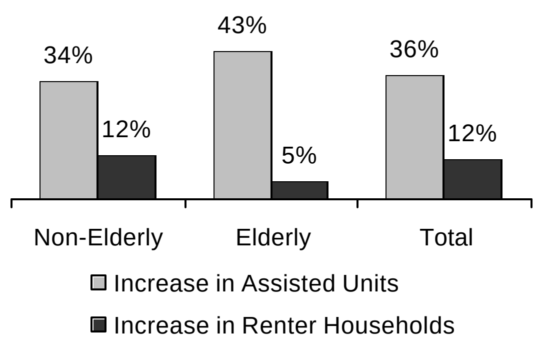
Note: Includes units in large (75+ unit developments). Data for the period since January 2000 includes both units actually demolished and those slated to be demolished.

Nevertheless, the stock of low-income rental housing grew substantially.

In net, during the 1990s the inventory of federal and state assisted low-income family and elderly rental housing grew by 26,800 units (36 percent) from just under 75,000 units in 1990 to nearly 101,800 units in 2000. This trend is continuing with nearly 11,900 net additional assisted units either already on-line, under development, or with federal and state assistance approvals so far this decade (Tables 10A and 10B).[19]

The rate of increase in assisted rental units exceeded the rate of growth in renter households.

Comparative Change in Federal and State Assisted Low-Income Rental Units and Renter Households, Virginia: 1990-2000



Source: Tables 3A, 10A and 10B

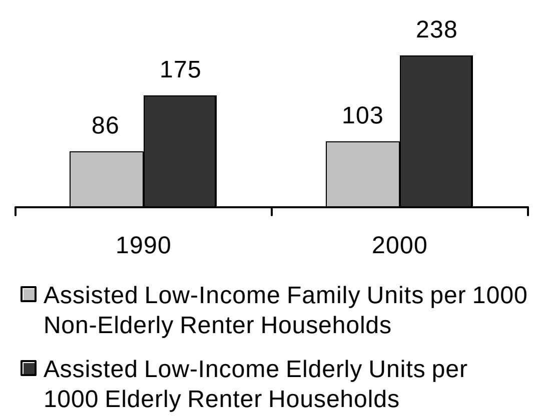
Note: Elderly figures include households age 65 and older and rental units intended for elderly occupancy. Some family (non-elderly) units are occupied by elderly persons. Likewise, some elderly rental projects allow occupancy by persons as young as 55.

There was a net increase in assisted family units of a third and a net increase in elderly assisted units of 43 percent. In both cases the increase greatly exceeded the overall rate of growth in renter households. Therefore, the ratio of low-income assisted family units per 1000 non-elderly renter

[11]This inventory includes family and independent living elderly developments receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing receiving federal HOME and CDBG funds through local governments.

households rose 20 percent from 86 in 1990 to 103 in 2000, and the ratio of low-income assisted elderly units per 1000 elderly renter households rose 36 percent from 175 in 1990 to 238 in 2000 (Tables 10A and 10B).

Ratio of Federal and State Assisted Low-Income Rental Units per 1000 Renter Households



Source: Tables 3A, 10A and 10B

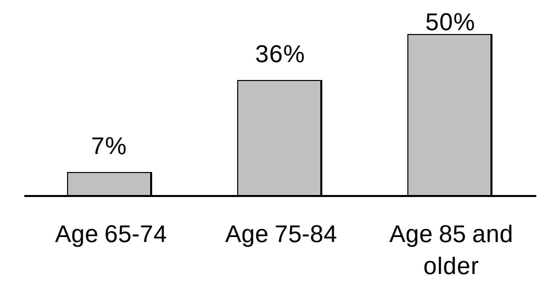
The largest increase in assisted housing was in developments for the elderly.

The stock of federal and state assisted, low-income, rental housing for the elderly increased by 6,925 units (43 percent) between 1990 and 2000. Since the beginning of 2000, an additional 4,200 assisted elderly units have come on-line or been approved for funding. The high level of assisted elderly housing production was a response to the rapid growth in the senior population over age 75 which created increased demand for affordable housing alternatives for seniors.

Low-income assisted living needs were not addressed due to lack of subsidies.

During the 1990s, virtually all of the new assisted elderly units were designed for independent living with only limited levels of supportive services. This was due to inadequate subsidies to support the provision

Change in Elderly Population, Virginia: 1990-2000



Source: Table 6B

of licensed assisted living services to low-income elderly persons.[20] In contrast, substantial numbers of licensed, private-pay assisted living residences were developed throughout Virginia. These facilities largely serve middle- and upper-income elderly households that have sufficient resources to pay high monthly fees for assisted living services without public subsidy support.

Federal Project-Based Deep Rental/Operating Subsidies

The lowest income households need deep housing subsidies.

The income of most people who depend on limited fixed benefits is so low that they cannot afford adequate housing without deep housing subsidies.[21] The same is true for minimum wage workers in higher cost housing markets where the gap between income and market rents is extremely large. These are the households that have not fully

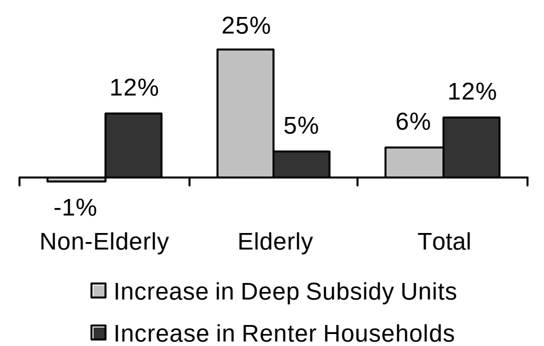
[20] Study of Financing for Affordable Assisted Living Options Pursuant to HJR 749, Commonwealth of Virginia, House Document No. 44, 2000

[21] The federal government provides deep rental/ operating subsidies for family and elderly housing through the following programs: Public Housing; project-based and tenant-based Section 8; Section 202 PRAC; rural Rental Assistance (RA); Rental Assistance Payments (RAP); and Rent Supplements.

benefited from the considerable development of new assisted rental units through the federal Low-Income Housing Tax Credit program. Typically, their income is below 30 percent of area median—what HUD refers to as "extremely low" income.

The rate of increase in project-based deep subsidy units has been less than the rate of increase in renter households.

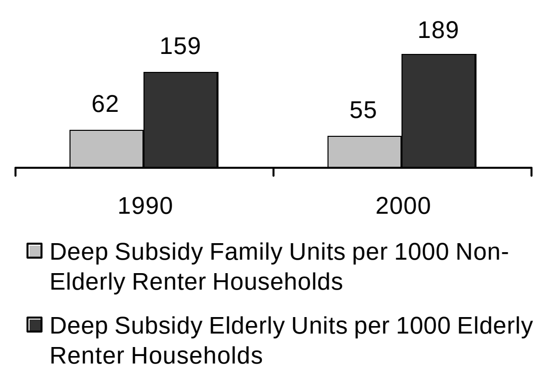
Comparative Change in Federal Project-Based Deep Rental Subsidy Units and Renter Households, Virginia: 1990-2000



Source: Tables !0A and 10B, and U.S. Census

Note: Elderly figures include households aged 65 and older and rental units intended for elderly occupancy. Deep subsidy elderly rental projects allow occupancy by persons as young as age 62.

Ratio of Federal Project-Based Deep Rental Subsidy Units per 1000 Renter Households



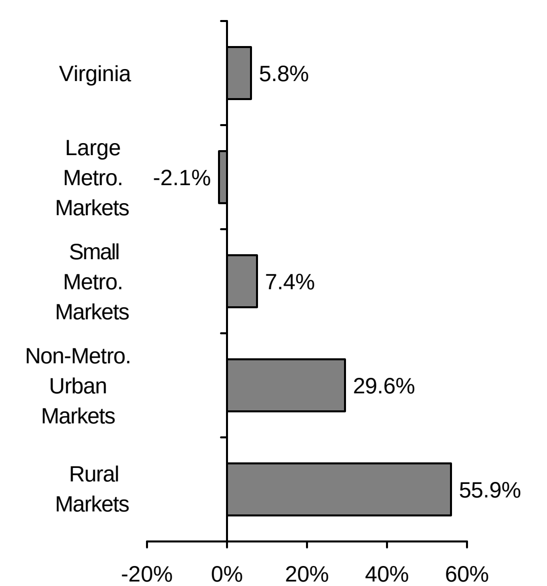
Source: Tables 10A and 10B

Low-income units receiving project-based deep rental or operating subsidies increased by nearly 3,300 units (5.8%) from approximately 56,700 units in 1990 to approximately 60,000 units in 2000. This rate of increase was half the 11.5 percent increase in total renter households (Table 3A). Consequently, the ratio of low-income units with direct federal and state project-based assistance per 1000 renter households, fell from 73 in 1990 to 70 in 2000 (Table 10C).

The change in project-based deep subsidy units was dramatically different in urban and rural markets.

In the large metropolitan areas, there was a net loss of nearly 900 project-based deep subsidy units (2.1 percent of the stock) and the ratio of deep subsidy units per 1000 renter households fell by nearly 12 percent from 77 in 1990 to 68 in 2000. These markets lost project-based deep subsidy units to prepayments, opt-outs, and property disposition. They gained only limited new units, principally through the Public Housing

Change in Federal Project-Based Deep Rental Subsidy Units: 1990-2000

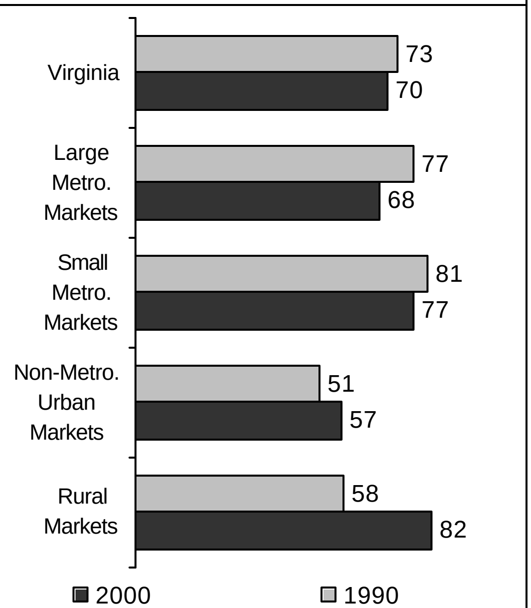


Source: Table 10C

and Section 202 senior housing programs (Table 10C).

In contrast, substantial rental housing production through the Rural Housing Service (RHS) Section 515 program linked with RHS rental assistance contracts led to a gain of nearly 56 percent in the number of project-based deep subsidy units in rural markets. Rural areas also lost few deep subsidy units from the existing inventory. Consequently, the ratio of project-based deep subsidy units per 1000 renter households rose by 41 percent from 58 in 1990 to 82 in 2000.

Ratio of Federal Project-Based Deep Rental Subsidy Units per 1000 Renter Households



Source: Table 10C

Well over a third of the elderly units added between 1990 and 2000 received federal rental assistance contracts. Consequently, there was also a substantial rise in the number of deep-subsidy elderly units per 1000 elderly renter households. That ratio rose 19 percent from 159 in 1990 to 189 in 2000 (Table 10B).

The biggest gains in elderly project-based deep subsidy units were in rural markets.

The increase in deep subsidy elderly rental units was most dramatic in rural areas. Those markets accounted for over half the statewide increase and had an average gain in deep subsidy elderly units of nearly 137 percent. This substantial increase resulted from production of new units through the RHS Section 515 and Low-Income Housing Tax Credit programs with RHS rental assistance contracts. In rural markets the average number of deep subsidy elderly units per 1000 elderly renter households rose from 95 in 1990 (60 percent of the statewide level) to 214 in 2000 (113 percent of the statewide level).

In contrast, in large metropolitan areas, which lack access to deep RHS project-based subsidies, there were only modest increases in the total number of deep subsidy elderly rental units and in the ratio of deep subsidy elderly units per 1000 elderly renter households (Table 10B).

Federal Tenant-Based Deep Rental Subsidies

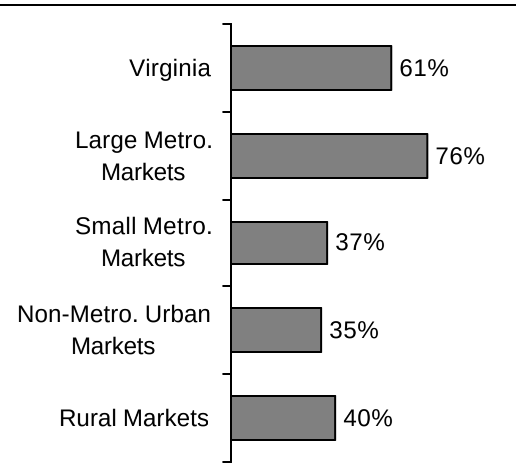
Deep federal tenant-based rental subsidies[22] increased by nearly 15,000 units (61 percent) between 1990 and 2000, in sharp contrast to the modest six percent growth in project-based deep rental subsidies. This reflected the federal policy shift away from long-term project-based

[22] Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2) separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.

subsidy contracts, to short-term tenant-based assistance (Table 10C).

The 76 percent rate of growth in tenant-based units in the large metropolitan markets was approximately double the growth rate in small metropolitan areas (37 percent), non-metropolitan urban areas (35 percent), and rural areas (40 percent). This was due to the substantial conversion of project-based subsidies to tenant-based subsidies in the large metropolitan areas as result of owner prepayment of assisted mortgages, owner opt-out of project-based subsidy contracts, and the disposition of troubled assisted rental properties.

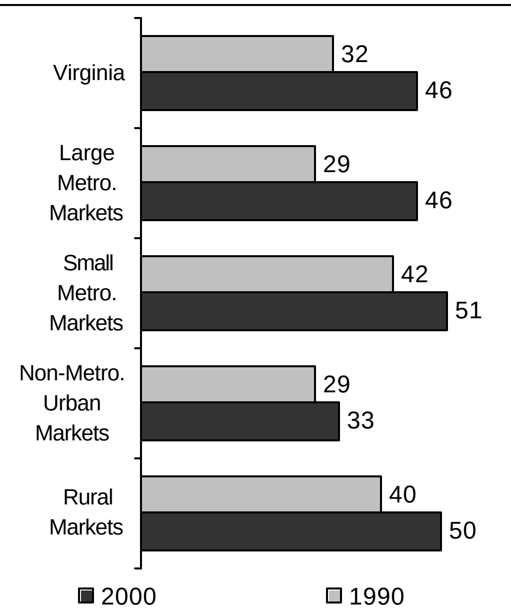
Change in Federal Tenant-Based Deep Rental Subsidy Units: 1990-2000



Source: Table 10C

In parallel with the large increase in tenant-based deep subsidy units was a significant increase in the ratio of tenant-based deep subsidy units per 1000 renter households. The increase in the ratio was by far the greatest in the large metropolitan markets. In 1990, the ratio of tenant-based units per 1000 renter households in the large metropolitan areas lagged well behind the ratios in the small metropolitan markets and rural areas. But, by 2000, that gap had almost been closed.

Ratio of Federal Tenant-Based Deep Rental Subsidy Units per 1000 Renter Households

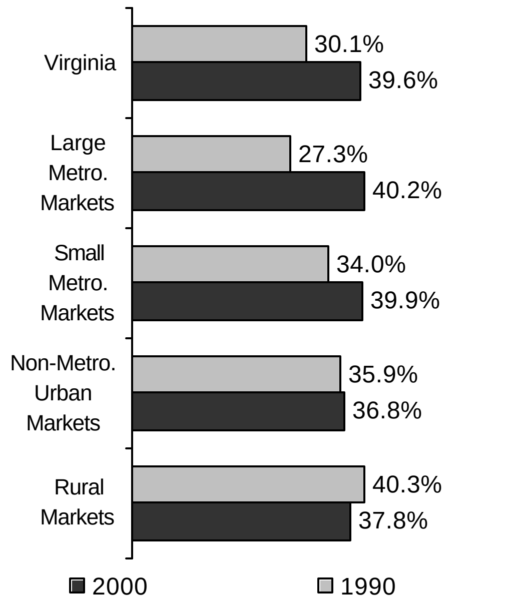


Source: Table 10C

In contrast, the non-metropolitan urban areas continued to lag behind other market areas in the ratio of tenant-based deep subsidy units per 1000 renter households in part because of the relatively high growth in renter households in the Blacksburg and Harrisonburg areas.

Another consequence of the substantial increase in tenant-based deep subsidy units in the large metropolitan areas, was a significant rise in those markets in the tenant-based share of total deep subsidy units. In comparison, the small metropolitan areas and non-metropolitan urban areas had modest increases in the share of tenant-based subsidies, while in rural areas the share of tenant-based units declined. Whereas in 1990, the largest share of tenant-based units was in rural areas and the smallest in the large metropolitan areas, by 2000 the pattern had reversed.

Tenant-Based Units as a Share of Total Deep Subsidy Rental Units



Source: Table 10C

Substantial increases in tenant-based subsidies have not reduced lengthy waiting lists for assistance.

In all areas of the Commonwealth there are lengthy multi-year waiting lists for rent subsidy assistance through the federal Housing Choice Voucher (Section 8) program. In recent years, increased appropriations for Housing Choice Vouchers have not reduced waiting lists for assistance. This reflects both the growing need for assistance among the lowest income populations, and the reduced willingness of landlords to participate in federal deep rental subsidy programs.

The Ability to Use Tenant-Based Rental Subsidies Has Declined.

A number of factors have reduced incentives for private landlord participation in the Housing Choice Voucher Program:

- The increased buying power of many renters
- Significantly lower rental vacancy rates in metropolitan markets
- Greater uncertainty regarding on-going subsidy funding

As a result, fewer landlords are accepting Housing Choice Vouchers. In many markets, this is making it extremely difficult for low-income households that are able to access rental subsidies to actually use them.

Total Federal Deep Rental Subsidies

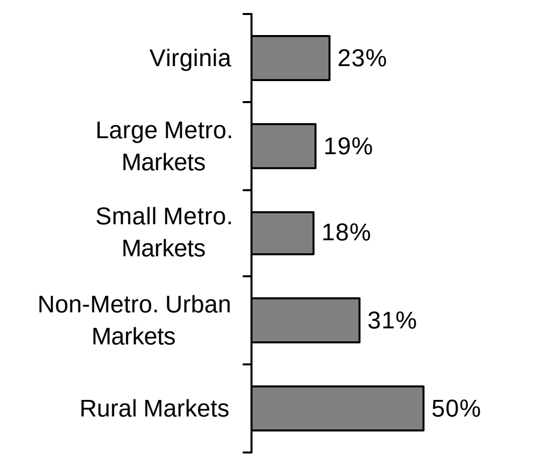
Most housing markets had a significant net gain in deep subsidy rental units.

The increase in tenant-based units far exceeded losses in project-based deep subsidies. Consequently, in net, all housing markets had gains in deep subsidy rental units. In most markets these gains exceeded the growth in renter households, so that there was an overall increase in the ratio of total deep subsidy units per 1000 renter households. The two exceptions were the Richmond market where there continued to be relatively few tenant-based units outside of core localities, and the Harrisonburg area where rapid growth in renter households exceeded the considerable gain in deep subsidy units.

Increases in rural markets far outstripped the gains in other housing markets.

The increase in deep subsidy rental units per 1000 renter households in rural areas was over three times the statewide rate. Whereas the ratio of deep subsidy units per 1000 renter households lagged the statewide rate by seven percent in 1990, it exceeded the statewide rate by 14 percent in 2000.

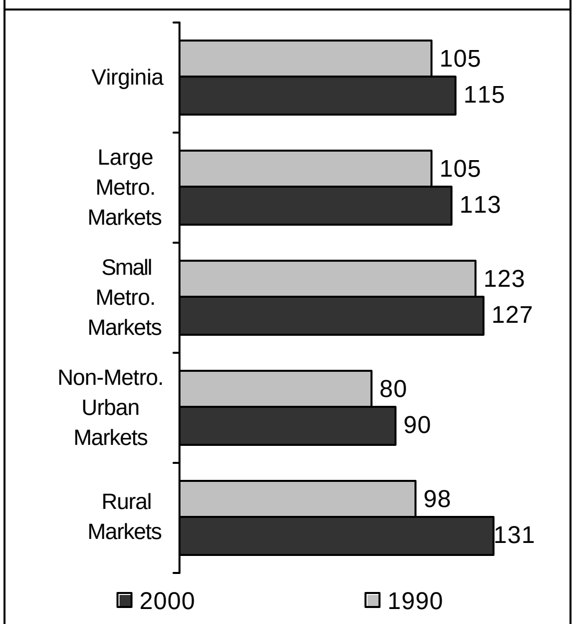
Change in Total Federal Deep Rental Subsidy Units: 1990-2000



Source: Table 10C

The increase in total deep subsidy units was smallest in small metropolitan areas. However, in those markets the ratio of deep subsidy units per 1000 renter households continued to exceed the statewide rate by 10 percent.

Ratio of Total Federal Deep Rental Subsidy Units per 1000 Renter Households



Source: Table 10C

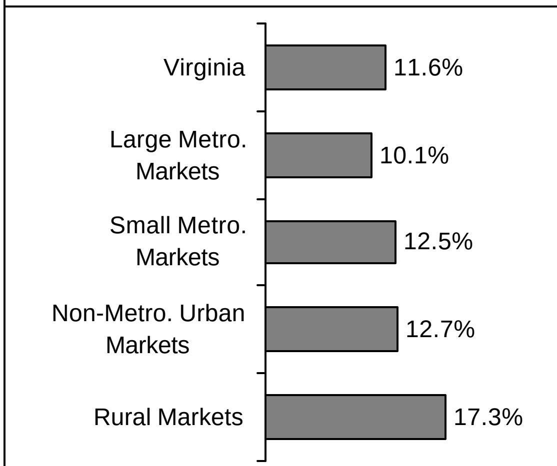
The net increase in renter households per 1000 renter households also lagged in the large metropolitan areas. In 1990, those markets had a ratio that equaled the statewide ratio, whereas by 2000 their ratio had fallen behind the statewide ratio.

Worst off were the non-metropolitan urban markets where the ratio of deep subsidy units per 1000 renter households increased at a faster rate than for the state as a whole but continued to lag significantly behind the ratio in other market areas. This is due in part to the large student populations in Blacksburg and Harrisonburg that reduce the ratios in both of those markets.

When persons in poverty is the yardstick, rural areas continue to be relatively underserved with deep rental subsidies.

A comparison of ratios of deep subsidy units per 1000 renter households provides an overall look at the relative distribution of housing assistance between housing markets and provides a means for measuring change over time. However, it does not account for the significant differences in rates of poverty in different market areas (Table 5).

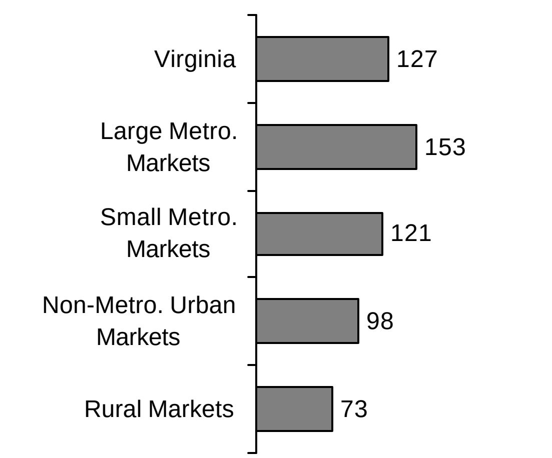
Poverty Rate: 1997



Source: Table 5

An alternative measure is to compare the ratio of deep subsidy units per 1000 persons in poverty. When a comparison is made of ratios of total deep subsidy units in 2000 to the number of persons in poverty in 1997 (most recent data available), a very different picture emerges. The large urban areas have considerably higher ratios of deep subsidy units per 1000 persons in poverty. The ratios decline as the degree of urbanization declines, with the ratio in rural areas less than half the ratio in the large metropolitan areas.

Ratio of Total Federal Deep Subsidy Units in 2000 per 1000 Persons in Poverty in 1997



Source: Tables 5 and 10C

There are also wide differentials in housing costs relative to income among market areas.

There is a far larger absolute gap between housing costs and the resources of lower income people in the Washington-Arlington market area and adjacent markets in northern, central and eastern Virginia, than in the western and southern portions of the state where poverty rates are especially high. Thus, while the poverty rate in the Washington-Arlington areas is very low relative to other market areas (just 53 percent of the statewide average in 1997), there is a much broader band of incomes requiring deep subsidy assistance in order to afford adequate housing.[23]

More data is needed in order to measure absolute levels of unmet housing need.

Available data illustrate the significant changes that have occurred in the relative level of subsidy assistance among regions but cannot answer the question of how large unmet housing needs are in one area compared to another. Measurement of absolute levels of unmet needs must await the release of more detailed data from the 2000 Census on household income and the share of income expended for housing.

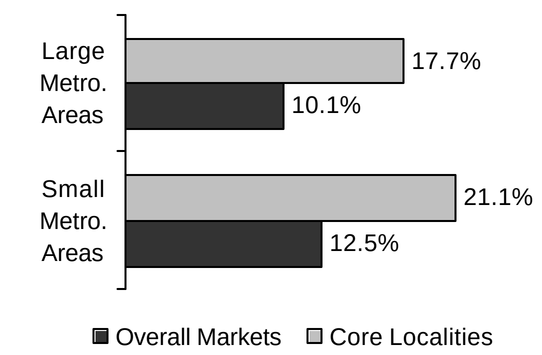
Disparities within Urban Housing Markets

People in poverty continue to be heavily concentrated in the core localities of metropolitan markets.

Throughout the 1990s, there was a large disparity in poverty rates between core localities[24] and overall urban market areas. In most markets the differential exceeded 40 percent. In 1997, the Richmond market differential exceeded 100 percent and in the Fredericksburg market the differential was 145 percent. The few markets with poverty rate differentials of less than 40 percent—Danville, Martinsville, Blacksburg and Kingsport-Bristol—were all regions with high overall poverty rates that exceeded that statewide average. Nowhere was the differential in poverty rates between core localities and the overall market less than 25 percent.

[23] Poverty is measured in absolute dollar terms and does not reflect differences in cost of living in different geographic areas.
[24] See Parts II, III and IV for a delineation of core localities in urban housing market areas.

Poverty Rates: 1997



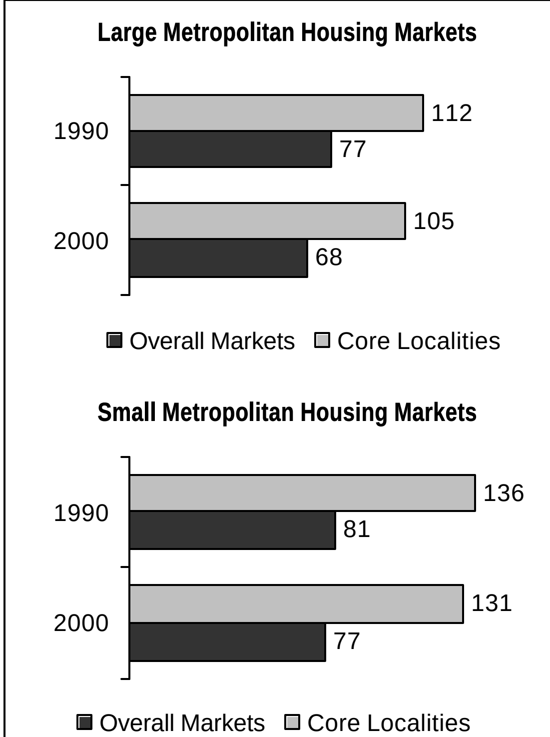
Source: Parts II and III, Table 5

The assisted rental housing stock is also heavily concentrated in metropolitan core localities.

As with people in poverty, the assisted rental housing stock in metropolitan market areas continues to be heavily concentrated in core localities. The lone exception is the Virginia portion of the Washington-Arlington market where core localities have a smaller ratio of assisted and deep subsidy family units per 1000 renter households than does the overall market area. In almost all metropolitan markets, the concentration of federal and state assisted units and deep subsidy units in core localities increased between 1990 and 2000.

In all urban markets except the Virginia portion of the Washington-Arlington area, the degree of concentration in core localities is highest for the stock of units with deep rent/ operating subsidies. It is difficult to determine the extent to which this is a cause or effect of the concentration of poverty in core localities. In either case, the very high concentration of assisted housing with deep rental subsidies in core localities contributes to the limited choice of housing location that very low-income households face. Conversely, the relative concentration of poverty households in the core localities of the Virginia portion of the Washington-Arlington market, in the absence of a corresponding concentration of deep rental subsidies, adds to the extreme housing cost burden of very low-income households in Virginia's highest priced area.

Ratio of Federal Project-Based, Deep Subsidy, Rental Units per 1000 Renter Households



Source: Parts II and III, Table 10C

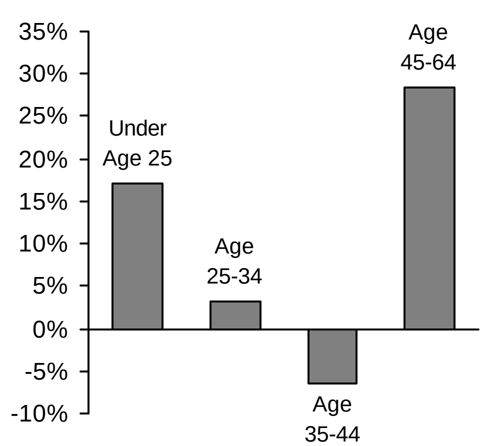
Projected Trends This Decade

Changing Age Profile of Working-Age Adults

Growth in the young adult population is projected to shift from older (age 34-44) to younger (under age 35) households.

During the 1990s, growth in the adult population under 45 years of age occurred almost entirely among persons in the 35-44 year old age group (Table 6A). As discussed in the preceding section, this contributed to higher household income and purchasing power and favored homeownership as households aged 35-44 had a homeownership rate in 2000 of 68.1 percent compared to a homeownership rate of 39.6 percent for households under age 35. In this decade, the opposite will be true. All of the growth in the population under age 45 is projected to occur among people under age 35 with the largest increase among those under age 25.

Projected Change in Working Age Population, Virginia: 2000-2010



Source: Table 6A

Higher growth among young adults will likely generate additional demand for affordable rental housing.

The likelihood that a person under age 25 will head of an independent household is considerably lower than for persons in older age groups. This should moderate the increase in renter households compared to owner households. Nonetheless, the overall demand for rental housing is anticipated to increase from the level experienced during the 1990s. An overall increase in rental demand is anticipated primarily in the three large metropolitan areas and adjacent markets experiencing above average household growth. However, in all markets, the shift in growth to younger households will increase demand for more affordable rental housing regardless of whether overall rental demand increases.

The large number of units still being removed from the affordable rental stock in metropolitan markets may worsen affordability for younger households.

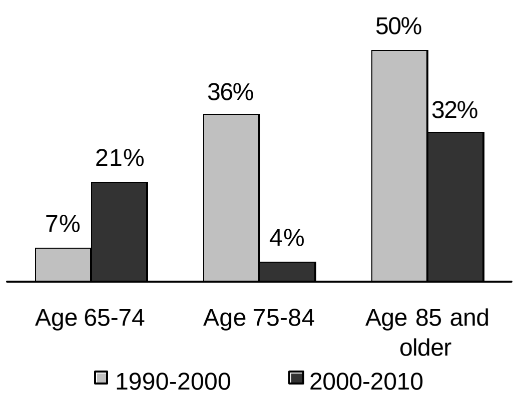
Large numbers of units continue to be removed from the public and private stock of affordable rental housing as a result of owner prepayments, opt-outs, property disposition, and demolition of older deteriorated and obsolete developments. So far this decade, actual and announced losses to the affordable rental stock nearly equal total losses for the past decade. If this trend continues, then currently tight rental markets could remain so for the remainder of the decade. This would have a serious impact on rent affordability for very low-income populations currently struggling to find affordable units as well as the growing number of new young households that will need affordable shelter.

Changing Age Profile of the Elderly Population

The elderly population will also see a shift in its age profile.

A significant shift is projected in the age profile of the senior population this decade. The population over age 85 years will continue to increase rapidly albeit at a lower rate (32 percent) than the explosive rate of the 1990s (50 percent). This will continue to stimulate a need and demand for residential supportive services and affordable assisted living alternatives.

Actual and Projected Change in the Elderly Population, Virginia: 2000-2010



Source: Table 6B

The biggest shift will be in the elderly population under age 85. Whereas the 75-84 years old age group accounted for most of the growth during the 1990s, the opposite will be true during this decade (Table 6B). In light of the continuing rise in the homeownership rate among elderly persons, the shift in growth to the young elderly (under age 75) will likely weaken demand for independent living senior housing.

The elderly are suburbanizing at a much faster rate than the overall population.

Between 1990 and 2000, elderly households age 65-74 years of age declined by 17 percent in metropolitan core localities while growing by eight percent in overall market areas. This occurred even as assisted and deep subsidy senior rental housing became even more concentrated in metropolitan core localities. During this decade, the decline in core locality seniors will shift to households aged 75-84 years who represent the primary market for senior independent living housing. This will further exacerbate the already large location imbalance in the stock of assisted and deep subsidy senior housing in metropolitan housing markets.

Ongoing Trends Impacting Disability Housing Needs

Increasing numbers of disabled people need and want affordable community living alternatives.

Demand for affordable housing among people with disabilities will continue to increase rapidly due to a number of factors including:

- The unresolved need to provide community living alternatives to institutional placement
- The continued increase in life expectancy among disabled people
- The advanced age of many family care givers

There continues to be strong need to create affordable community-based housing for large numbers of mentally disabled people who are currently residing in state institutions or who are at risk of institutional placement as a result of inadequate affordable community housing alternatives. Pressure to act on this need is expected to grow as a result of the recent U.S. Supreme Court Olmstead decision requiring states to take steps to ensure that people with disabilities are housed in the least restrictive settings practicable.

As recently as the 1930s, people with severe developmental disabilities had an average life expectancy that did not extend into adulthood. Today, the average life expectancy of such people extends to the early elderly years. As a consequence, demand is growing for housing alternatives that were not required a generation ago. In addition, a large proportion of non-institutionalized people with developmental disabilities have resided into adulthood with parental caregivers. With lengthening life expectancies for such people, a growing number are now residing with elderly parents no longer capable of providing care. In the coming years, substantial new supportive housing alternatives will need to be created for disabled adults who no longer have family to provide shelter and care.

There will be a corresponding increase in need for deep housing subsidies for people with disabilities.

Any substantial increases in income for disabled people will likely occur gradually over time. In the meantime, a large share of people with severe disabilities will continue to require deep subsidy assistance in order to access adequate housing in suitable locations to meet their needs. The declining ratio of deep rental subsidy units to renter households in metropolitan housing markets will pose a severe challenge to addressing the needs of disabled people, particularly given the extremely large gap between prevailing rents and the incomes of most disabled people in metropolitan housing markets.

Data Tables

Housing Stock

Estimated Distribution of Housing Units by Type

Table 1		Single Family Site-Built		Single Family Manufact.		Multifamily/Other		Total
		Number	Share	Number	Share	Number	Share	Units
Large Metropolitan Market Areas	**1990**	1,041,000	68%	48,800	3%	451,800	29%	1,541,700
	2000	1,235,600	69%	51,200	3%	495,800	28%	1,782,500
	Change	194,600		2,400		43,900		240,900
	1990-2000	18.7%		4.9%		9.7%		15.6%
Small Metropolitan Market Areas	**1990**	263,000	71%	39,400	11%	70,600	19%	373,100
	2000	315,600	71%	52,900	12%	77,900	17%	446,400
	Change	52,600		13,500		7,300		73,300
	1990-2000	20.0%		34.2%		10.3%		19.7%
Non-Metro. Urban Market Areas	**1990**	125,000	67%	24,500	13%	36,400	20%	185,900
	2000	143,900	66%	31,200	14%	41,700	19%	216,800
	Change	18,900		6,700		5,300		31,000
	1990-2000	15.2%		27.4%		14.6%		16.7%
Rural Market Areas	**1990**	289,600	73%	76,100	19%	30,100	8%	395,700
	2000	316,500	69%	109,100	24%	32,900	7%	458,400
	Change	26,800		33,000		2,800		62,700
	1990-2000	9.3%		43.4%		9.4%		15.8%
Virginia	**1990**	1,718,600	69%	188,800	8%	588,900	24%	2,496,300
	2000	2,011,500	69%	244,400	8%	648,300	22%	2,904,200
	Change	292,900		55,600		59,400		407,900
	1990-2000	17.0%		29.4%		10.1%		16.3%

Source: U.S. Census Bureau (total units); DMV (manufactured units); Weldon Cooper Center and local agencies (construction and demolition activitiy)
All change and share figures were calculated from unrounded estimates. Therefore, apparent errors appear due to rounding of numbers to the nearest 100.

Housing Occupancy

Household and Group Quarters Population

Table 2A		Total Population	Household Population	Group Quarters Population		Households
				Persons	Share	
Large Metropolitan Market Areas	1990	3,891,256	3,768,737	122,519	3.1%	1,431,649
	2000	4,513,297	4,388,717	124,580	2.8%	1,694,910
	Change 1990-2000	622,041 16.0%	619,980 16.5%	2,061 1.7%	-0.3%	263,261 18.4%
Small Metropolitan Market Areas	1990	912,854	879,070	33,784	3.7%	344,281
	2000	1,047,809	1,012,193	35,616	3.4%	411,131
	Change 1990-2000	134,955 14.8%	133,123 15.1%	1,832 5.4%	-0.3%	66,850 19.4%
Non-Metro. Urban Market Areas	1990	467,365	440,091	27,274	5.8%	173,263
	2000	524,593	495,059	29,534	5.6%	202,263
	Change 1990-2000	57,228 12.2%	54,968 12.5%	2,260 8.3%	-0.2%	29,000 16.7%
Rural Market Areas	1990	915,883	890,160	25,723	2.8%	342,637
	2000	992,816	951,148	41,668	4.2%	390,869
	Change 1990-2000	76,933 8.4%	60,988 6.9%	15,945 62.0%	1.4%	48,232 14.1%
Virginia	1990	6,187,358	5,978,058	209,300	3.4%	2,291,830
	2000	7,078,515	6,847,117	231,398	3.3%	2,699,173
	Change 1990-2000	891,157 14.4%	869,059 14.5%	22,098 10.6%	-0.1%	407,343 17.8%

Source: U.S. Census Bureau

Housing Occupancy

Housing Vacancies

Table 2B		Total Vacancies	Available Vacant Units: For Sale	Vac. Rate	Available Vacant Units: For Rent	Vac. Rate	Vacant Units Not Available: Sold/Rented	Seasonal	Other
Large Metropolitan Market Areas	1990	110,022	23,038	2.5%	51,054	8.8%	9,514	9,363	17,053
	2000	87,621	14,851	1.3%	28,063	4.6%	8,223	13,891	22,583
	Change 1990-2000	-22,401 -20.4%	-8,187 -35.5%	-1.2%	-22,991 -45.0%	-4.2%	-1,281 13.5%	4,528 48.4%	5,530 32.4%
Small Metropolitan Market Areas	1990	28,785	4,042	1.7%	7,714	6.9%	2,918	6,604	7,507
	2000	35,251	4,699	1.6%	8,374	6.6%	2,740	8,664	10,774
	Change 1990-2000	6,466 22.5%	657 16.3%	-0.1%	660 8.6%	-0.3%	-178 -6.1%	2,060 31.2%	3,267 43.5%
Non-Metro. Urban Market Areas	1990	12,613	2,004	1.7%	3,492	5.9%	1,249	2,945	2,923
	2000	14,579	2,223	1.6%	4,048	5.9%	1,239	3,114	3,955
	Change 1990-2000	1,966 15.6%	219 10.9%	-0.1%	556 15.9%	0.0%	-10 -0.8%	169 5.7%	1,032 35.3%
Rural Market Areas	1990	53,084	4,211	1.6%	5,639	6.5%	4,069	23,297	15,868
	2000	67,568	5,634	1.8%	7,078	7.2%	4,042	26,679	21,135
	Change 1990-2000	14,484 27.3%	1,423 33.8%	0.3%	1,439 25.5%	0.7%	-27 -0.7%	6,382 27.4%	5,267 33.2%
Virginia	1990	204,504	33,295	2.1%	67,899	8.1%	17,750	42,209	43,351
	2000	205,019	27,407	1.5%	47,563	5.2%	16,254	55,348	58,447
	Change 1990-2000	515 0.3%	-5,888 -17.7%	-0.6%	-20,336 -30.0%	-2.9%	-1,496 -8.4%	13,139 31.1%	15,096 34.8%

Source: U.S. Census Bureau

Housing Tenure

Owner and Renter Occupancy

Table 3A		Total Occupied Units	Owner-Occupied Number	Owner-Occupied Share	Renter-Occupied Number	Renter-Occupied Share
Large Metropolitan Market Areas	**1990**	1,431,649	901,145	62.9%	530,504	37.1%
	2000	1,694,910	1,108,178	65.4%	586,732	34.6%
	Change 1990-2000	263,261 18.4%	207,033 23.0%	2.5%	56,228 10.6%	-2.5%
Small Metropolitan Market Areas	**1990**	344,281	239,949	69.7%	104,332	30.3%
	2000	411,131	292,808	71.2%	118,323	28.8%
	Change 1990-2000	66,850 19.4%	52,859 22.0%	1.5%	13,991 13.4%	-1.5%
Non-Metro. Urban Market Areas	**1990**	173,263	117,211	67.6%	56,052	32.4%
	2000	202,263	137,195	67.8%	65,068	32.2%
	Change 1990-2000	29,000 16.7%	19,984 17.0%	0.2%	9,016 16.1%	-0.2%
Rural Market Areas	**1990**	342,637	261,216	76.2%	81,421	23.8%
	2000	390,869	299,758	76.7%	91,111	22.3%
	Change 1990-2000	48,232 14.1%	38,542 14.8%	0.5%	9,690 11.9%	-0.5%
Virginia	**1990**	2,291,830	1,519,521	66.3%	772,309	33.7%
	2000	2,699,173	1,837,939	68.1%	861,234	31.9%
	Change 1990-2000	407,343 17.8%	318,418 21.0%	1.8%	88,925 11.5%	-1.8%

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder

Table 3B		Working Age Households				Elderly Households	
		Under Age 25	Age 25-34	Age 35-44	Age 45-64	Age 65-74	Age 75+
Large Metropolitan Market Areas	1990	13.4%	45.3%	67.7%	78.8%	78.1%	68.7%
	2000	13.1%	43.1%	66.6%	78.9%	81.9%	74.3%
	Change 1990-2000	-0.3%	-2.2%	-1.1%	0.1%	3.8%	5.6%
Small Metropolitan Market Areas	1990	20.9%	51.1%	72.2%	81.9%	82.0%	75.8%
	2000	18.4%	51.6%	71.2%	81.4%	84.3%	77.7%
	Change 1990-2000	-2.5%	0.5%	-1.0%	-0.5%	2.3%	1.9%
Non-Metro. Urban Market Areas	1990	16.1%	49.7%	71.7%	82.5%	83.0%	77.7%
	2000	12.6%	49.7%	68.9%	81.0%	84.9%	79.6%
	Change 1990-2000	-3.5%	0.0%	-2.8%	-1.5%	1.9%	1.9%
Rural Market Areas	1990	35.4%	59.1%	75.5%	84.2%	85.5%	82.3%
	2000	34.8%	58.9%	72.8%	83.3%	86.4%	83.8%
	Change 1990-2000	-0.6%	-0.2%	-2.7%	-0.9%	0.9%	1.5%
Virginia	1990	17.0%	47.9%	69.6%	80.4%	80.7%	74.1%
	2000	16.0%	46.4%	68.1%	80.1%	83.5%	77.4%
	Change 1990-2000	-1.0%	-1.5%	-1.5%	-0.3%	2.8%	3.3%

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder and Family Status

Table 3C		Householder Under 35		Householder 35-64		Householder 65+	
		Family HHs	Other HHs	Family HHs	Other HHs	Family HHs	Other HHs
Large Metropolitan Market Areas	1990	46.7%	27.3%	79.5%	57.0%	86.7%	60.4%
	2000	46.0%	22.7%	79.1%	57.9%	88.6%	65.9%
	Change 1990-2000	-0.7%	-4.6%	-0.4%	0.9%	1.9%	5.5%
Small Metropolitan Market Areas	1990	54.4%	23.4%	83.5%	57.8%	88.9%	68.4%
	2000	54.8%	23.1%	83.5%	58.9%	90.4%	70.3%
	Change 1990-2000	0.4%	-0.3%	0.0%	1.1%	1.5%	1.9%
Non-Metro. Urban Market Areas	1990	52.7%	17.9%	83.5%	59.5%	89.5%	71.3%
	2000	52.8%	16.0%	82.4%	58.3%	90.7%	72.4%
	Change 1990-2000	0.1%	-1.9%	-1.1%	-1.2%	1.2%	1.1%
Rural Market Areas	1990	59.4%	37.1%	83.9%	67.5%	90.3%	76.9%
	2000	58.8%	37.0%	83.8%	65.8%	91.7%	77.5%
	Change 1990-2000	-0.6%	-0.1%	-0.1%	-1.7%	1.4%	0.6%
Virginia	1990	49.8%	26.6%	81.1%	58.5%	88.1%	66.4%
	2000	49.4%	23.0%	80.7%	59.1%	89.7%	69.6%
	Change 1990-2000	-0.4%	-3.6%	-0.4%	0.6%	1.6%	3.2%

Source: U.S. Census Bureau

Family HHs. Family households are two or more related persons living together in the same housing unit.
Other HHs. All other types of households.

Housing Tenure

Homeownership Rate by Race and Ethnicity of Householder

Table 3D		White Non-Hispanic	All Minorities	Racial Minorities: Black	Racial Minorities: Asian	Hispanic/ Latino
Large Metropolitan Market Areas	**1990**	68.6%	45.8%	44.4%	na	39.8%
	2000	73.0%	48.8%	47.6%	58.3%	44.4%
	Change 1990-2000	4.4%	3.0%	3.2%	na	4.6%
Small Metropolitan Market Areas	**1990**	72.4%	54.1%	54.3%	na	52.9%
	2000	74.9%	53.9%	54.6%	45.8%	50.0%
	Change 1990-2000	2.5%	-0.2%	0.3%	na	-2.9%
Non-Metro. Urban Market Areas	**1990**	69.0%	53.1%	57.3%	na	35.9%
	2000	70.3%	47.2%	54.0%	26.4%	31.9%
	Change 1990-2000	1.3%	-5.9%	-3.3%	na	-4.0%
Rural Market Areas	**1990**	77.9%	67.5%	67.8%	na	59.6%
	2000	78.9%	66.3%	67.4%	59.7%	47.1%
	Change 1990-2000	1.0%	-1.2%	-0.4%	na	-12.5%
Virginia	**1990**	70.8%	49.4%	49.2%	na	40.9%
	2000	74.0%	51.0%	51.1%	57.0%	44.3%
	Change 1990-2000	3.2%	1.6%	1.9%	na	3.4%

Source: U.S. Census Bureau

Housing Demand Factors

Jobs and Income

Table 4		Total Area Jobs	Per Capita Income (1999$)		Civilian Labor Force	Unemployment Rate
Large Metropolitan Market Areas	**1990**	2,513,695	$29,644	**1990**	2,083,114	3.3%
	1999	2,926,908	$33,692	**2000**	2,367,578	1.8%
	Change 1990-1999	413,213 16.4%	$4,048 13.7%	**Change 1990-2000**	284,464 13.7%	-1.5%
Small Metropolitan Market Areas	**1990**	519,918	$22,554	**1990**	474,835	4.7%
	1999	616,923	$25,650	**2000**	529,570	2.1%
	Change 1990-1999	97,005 18.7%	$3,096 13.7%	**Change 1990-2000**	54,735 11.5%	-2.6%
Non-Metro. Urban Market Areas	**1990**	277,620	$20,231	**1990**	248,155	6.7%
	1999	314,850	$22,725	**2000**	260,770	2.9%
	Change 1990-1999	37,230 13.4%	$2,494 12.3%	**Change 1990-2000**	12,615 5.1%	-3.8%
Rural Market Areas	**1990**	415,961	$18,201	**1990**	432,737	7.5%
	1999	465,518	$20,238	**2000**	451,798	4.0%
	Change 1990-1999	49,557 11.9%	$2,037 11.2%	**Change 1990-2000**	19,061 4.4%	-3.4%
Virginia	**1990**	3,727,194	$26,179	**1990**	3,238,841	4.3%
	1999	4,324,199	$29,794	**2000**	3,609,716	2.2%
	Change 1990-1999	597,005 16.0%	$3,615 13.8%	**Change 1990-2000**	370,875 11.5%	-2.1%

Source: Bureau of Economic Analysis (jobs and per capita income); VEC (labor force and unemployment); U.S. Census Bureau (civilian population)

Housing Demand Factors

Incidence of Poverty

Table 5	Persons in Poverty			Poverty Rate		
Large Metropolitan Market Areas	**1989** 308,006	**1993** 437,661	**1997** 433,860	**1989** 8.2%	**1993** 10.6%	**1997** 10.1%
	Change 1989-93 129,655 (42.1%)		**Change 1993-97** -3,801 (-0.9%)	**Change 1989-93** 2.4%		**Change 1993-97** -0.5%
Small Metropolitan Market Areas	**1989** 101,453	**1993** 120,791	**1997** 124,491	**1989** 11.6%	**1993** 12.7%	**1997** 12.5%
	Change 1989-93 19,338 (19.1%)		**Change 1993-97** 3,700 (3.1%)	**Change 1989-93** 1.1%		**Change 1993-97** -0.2%
Non-Metropolitan Urban Market Areas	**1989** 55,815	**1993** 59,379	**1997** 60,235	**1989** 12.7%	**1993** 12.8%	**1997** 12.7%
	Change 1989-93 3,564 (6.4%)		**Change 1993-97** 856 (1.4%)	**Change 1989-93** 0.1%		**Change 1993-97** -0.1%
Rural Market Areas	**1989** 146,337	**1993** 162,241	**1997** 164,245	**1989** 16.5%	**1993** 17.3%	**1997** 17.3%
	Change 1989-93 15,904 (10.9%)		**Change 1993-97** 2,004 (1.2%)	**Change 1989-93** 0.8%		**Change 1993-97** 0.0%
Virginia	**1989** 611,611	**1993** 780,072	**1997** 782,831	**1989** 10.2%	**1993** 12.0%	**1997** 11.6%
	Change 1989-93 168,461 (27.5%)		**Change 1993-97** 2,759 (0.4%)	**Change 1989-93** 1.8%		**Change 1993-97** -0.4%

Source: U.S. Census Bureau

Housing Demand Factors

Changing Age Profile of Working-Age Adult Population

Table 6A		Young Adult Population				Middle-Age Pop.
		Age 20-24	Age25-34	Age 35-44	Total	Age 45-64
Large Metropolitan Market Areas	Change 1990-2000	-26,401 -8.0%	-75,187 -9.6%	147,740 22.7%	**46,152** **2.6%**	**305,619** **43.6%**
	Change 2000-2010	52,640 19.5%	30,405 4.5%	-39,692 -4.9%	**43,353** **2.5%**	**308,694** **30.9%**
Small Metropolitan Market Areas	Change 1990-2000	-4,639 -6.4%	-14,143 -9.4%	27,884 19.8%	**9,102** **2.5%**	**68,012** **37.2%**
	Change 2000-2010	11,944 16.4%	2,965 2.1%	-11,745 -7.3%	**3,164** **0.8%**	**70,279** **27.5%**
Non-Metro. Urban Market Areas	Change 1990-2000	3,786 7.4%	-6,654 -8.9%	10,927 16.4%	**8,059** **4.2%**	**27,101** **29.8%**
	Change 2000-2010	7,642 13.6%	36 0.1%	-7,550 -10.2%	**128** **0.1%**	**27,846** **24.2%**
Rural Market Areas	Change 1990-2000	-3,824 -6.4%	-15,137 -11.0%	22,209 16.8%	**3,248** **1.0%**	**57,941** **29.4%**
	Change 2000-2010	7,389 11.4%	-2,832 -2.4%	-17,997 -12.1%	**-13,440** **-4.1%**	**55,278** **22.1%**
Virginia	Change 1990-2000	-31,078 -6.1%	-111,121 -9.7%	208,760 21.0%	**66,561** **2.5%**	**458,673** **39.1%**
	Change 2000-2010	79,615 17.2%	30,574 3.1%	-76,984 -6.4%	**33,205** **1.2%**	**462,097** **28.5%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors

Changing Age Profile of Elderly Population

Table 6B		Elderly Population: Age 65-74	Age 75-84	Age 85+	Total
Large Metropolitan Market Areas	Change 1990-2000	18,235 8.5%	46,938 47.0%	16,510 57.8%	**81,683** **23.8%**
	Change 2000-2010	58,716 24.4%	12,124 7.7%	16,912 35.1%	**87,752** **19.7%**
Small Metropolitan Market Areas	Change 1990-2000	5,451 7.7%	10,970 28.9%	4,578 37.9%	**20,999** **17.4%**
	Change 2000-2010	14,836 19.4%	1,915 3.7%	5,211 28.6%	**21,962** **15.0%**
Non-Metro. Urban Market Areas	Change 1990-2000	2,388 7.0%	5,381 29.8%	2,643 52.0%	**10,412** **18.2%**
	Change 2000-2010	6,494 17.6%	810 3.2%	2,351 29.4%	**9,655** **13.8%**
Rural Market Areas	Change 1990-2000	2,910 3.5%	8,485 18.8%	5,150 40.7%	**16,545** **11.7%**
	Change 2000-2010	13,337 16.2%	1,084 1.9%	5,163 27.8%	**19,584** **12.3%**
Virginia	Change 1990-2000	29,074 7.2%	71,774 35.7%	28,881 49.5%	**129,729** **19.6%**
	Change 2000-2010	93,383 21.4%	15,933 5.4%	29,637 31.9%	**138,953** **16.9%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors

Household Composition

Table 7		Households w/ Person under 18			Households w/o Person under 18			All Households	
		Married	Other	Total	1-Person	2+ Persons	Total	Total	Avg. Size
Large Metropolitan Market Areas	**1990**	406,974	134,795	**541,769**	325,945	563,935	**889,880**	**1,431,649**	2.63
	2000	427,416	208,217	**635,633**	418,669	640,608	**1,059,277**	**1,694,910**	2.59
	Change 1990-2000	20,442	73,422	**93,864**	92,724	76,673	**169,397**	**263,261**	-0.04
		5.0%	54.5%	**17.3%**	28.4%	13.6%	**19.0%**	**18.4%**	
Small Metropolitan Market Areas	**1990**	93,378	29,676	**123,054**	81,025	140,202	**221,227**	**344,281**	2.55
	2000	93,595	47,461	**141,056**	106,722	163,353	**270,075**	**411,131**	2.46
	Change 1990-2000	217	17,785	**18,002**	25,697	23,151	**48,848**	**66,850**	-0.09
		0.2%	59.9%	**14.6%**	31.7%	16.5%	**22.1%**	**19.4%**	
Non-Metro. Urban Market Areas	**1990**	45,819	13,674	**59,493**	39,564	74,206	**113,770**	**173,263**	2.54
	2000	42,995	21,365	**64,360**	51,615	86,288	**137,903**	**202,263**	2.45
	Change 1990-2000	-2,824	7,691	**4,867**	12,051	12,082	**24,133**	**29,000**	-0.09
		-6.2%	56.2%	**8.2%**	30.5%	16.3%	**21.2%**	**16.7%**	
Rural Market Areas	**1990**	96,080	29,427	**125,507**	77,236	139,894	**217,130**	**342,637**	2.60
	2000	81,498	46,189	**127,687**	99,901	163,281	**263,182**	**390,869**	2.43
	Change 1990-2000	-14,582	16,762	**2,180**	22,665	23,387	**46,052**	**48,232**	-0.16
		-15.2%	57.0%	**1.7%**	29.3%	16.7%	**21.2%**	**14.1%**	
Virginia	**1990**	642,251	207,572	**849,823**	523,770	918,237	**1,442,007**	**2,291,830**	2.61
	2000	645,504	323,232	**968,736**	676,907	1,053,530	**1,730,437**	**2,699,173**	2.54
	Change 1990-2000	3,253	115,660	**118,913**	153,137	135,293	**288,430**	**407,343**	-0.07
		0.5%	55.7%	**14.0%**	29.2%	14.7%	**20.0%**	**17.8%**	

Source: U.S. Census Bureau

Housing Demand Factors

Population by Reported Race and Ethnicity

Table 8		Non-Hispanic Whites	All Minorities	Racial Minorities: Blacks	Racial Minorities: Asians	Racial Minorities: Other Races	Racial Minorities: Mixed Races	Hispanics/ Latinos
Large Metropolitan Market Areas	1990 Pop.	2,776,103	1,115,153	824,823	142,073	68,229	na	144,266
	% of Pop.	71.3%	28.7%	21.2%	3.7%	1.8%	na	3.7%
	2000 Pop.	2,878,342	1,634,955	1,010,805	238,327	139,508	115,439	283,436
	% of Pop.	63.8%	36.2%	22.4%	5.3%	3.1%	2.6%	6.3%
Small Metropolitan Market Areas	1990 Pop.	759,772	153,082	137,591	7,027	3,687	na	7,398
	% of Pop.	83.2%	16.8%	15.1%	0.8%	0.4%	na	0.8%
	2000 Pop.	841,991	205,818	160,944	12,794	9,324	13,539	17,529
	% of Pop.	80.4%	19.6%	15.4%	1.2%	0.9%	1.3%	1.7%
Non-Metro. Urban Market Areas	1990 Pop.	420,792	46,573	37,949	4,589	1,728	na	3,586
	% of Pop.	90.0%	10.0%	8.1%	1.0%	0.4%	na	0.8%
	2000 Pop.	456,255	68,338	41,216	6,625	6,353	6,304	14,166
	% of Pop.	87.0%	13.0%	7.9%	1.3%	1.2%	1.2%	2.7%
Rural Market Areas	1990 Pop.	747,858	168,025	162,631	2,347	2,945	na	5,038
	% of Pop.	81.7%	18.3%	17.8%	0.3%	0.3%	na	0.6%
	2000 Pop.	789,049	203,767	177,328	3,279	8,833	7,787	14,409
	% of Pop.	79.5%	20.5%	17.9%	0.3%	0.9%	0.8%	1.5%
Virginia	1990 Pop.	4,704,525	1,482,833	1,162,994	156,036	76,589	na	160,288
	% of Pop.	76.0%	24.0%	18.8%	2.5%	1.2%	na	2.6%
	2000 Pop.	4,965,637	2,112,878	1,390,293	261,025	164,018	143,069	329,540
	% of Pop.	70.2%	29.8%	19.6%	3.7%	2.3%	2.0%	4.7%

Source: U.S. Census Bureau

Note: Data for 1990 and 2000 are not directly comparable because in 1990 persons of mixed race were counted in other racial categories.

Housing Affordability

Minimum Income Needed to Afford Housing at the Fair Market Rent (FMR)

Table 9A

		1-Per. HH / 1 Bedrm. Unit			3-Per. HH / 2 Bedrm. Unit			5-Per. HH / 3 Bedrm. Unit		
		Rent	Min. Income	% AMI	Rent	Min. Income	% AMI	Rent	Min. Income	% AMI
Large Metropolitan Market Areas	**1997**	$673	$26,907	59%	$791	$31,649	54%	$1,088	$43,540	62%
	2001	$684	$27,355	56%	$803	$32,135	51%	$1,106	$44,243	58%
	Change 1997-2001	$11 1.6%	$448 1.7%	-3%	$12 1.5%	$486 1.5%	-3%	$18 1.7%	$703 1.6%	-4%
Small Metropolitan Market Areas	**1997**	$467	$18,700	54%	$572	$22,890	52%	$758	$30,302	57%
	2001	$454	$18,165	49%	$555	$22,210	46%	$735	$29,393	51%
	Change 1997-2001	-$13 -2.8%	-$535 -2.9%	-5%	-$17 -3.0%	-$680 -3.0%	-6%	-$23 -3.0%	-$909 -3.0%	-6%
Non-Metro. Urban Market Areas	**1997**	$416	$16,636	53%	$501	$20,055	50%	$683	$27,301	57%
	2001	$394	$15,772	48%	$475	$18,994	45%	$646	$25,847	51%
	Change 1997-2001	-$22 -5.3%	-$864 -5.2%	-5%	-$26 -5.2%	-$1,061 -5.3%	-5%	-$37 -5.4%	-$1,454 -5.3%	-6%
Rural Market Areas	**1997**	$403	$16,136	57%	$477	$19,097	52%	$641	$25,640	58%
	2001	$383	$15,331	51%	$453	$18,104	47%	$608	$24,312	52%
	Change 1997-2001	-$20 -5.0%	-$805 -5.0%	-6%	-$24 -5.0%	-$993 -5.2%	-5%	-$33 -5.1%	-$1,328 -5.2%	-6%
Virginia	**1997**	$597	$23,864	58%	$706	$28,242	53%	$965	$38,600	61%
	2001	$599	$23,946	54%	$707	$28,294	50%	$968	$38,704	57%
	Change 1997-2001	$2 0.3%	$82 0.3%	-4%	$1 0.1%	$52 0.2%	-3%	$3 0.3%	$104 0.3%	-4%

Source: HUD (Fair Market Rents and area median income estimates adjusted for household size)

Note: All figures have been adjusted for inflation and are shown in constant 2001 dollars.

Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.

Min. Income. This is the minimum income needed to afford a unit renting for the FMR based on HUD's standard that households should pay no more than 30% of gross income for rent.

% AMI. This is the necessary minimum income as a share of the Area Median Income as determined by HUD and adjusted for household size.

Housing Affordability

Rent Burden for Lowest Income Populations

Table 9B		1-Bedroom Rent	Minimum Wage Workers Income / Rent Burden		Single SSI Recipients Income / Rent Burden		Age 65+ Living on OASDI Income / Rent Burden	
Large Metropolitan Market Areas	1997	$673	$10,957	74%	$6,441	125%	$9,662	84%
	2001	$684	$10,712	77%	$6,372	129%	na	na
	Change 1997-2001	$11 1.6%	-$245 -2.2%	3%	-$69 -1.1%	4%		
Small Metropolitan Market Areas	1997	$467	$10,957	51%	$6,441	87%	$9,462	59%
	2001	$454	$10,712	51%	$6,372	85%	na	na
	Change 1997-2001	-$13 -2.8%	-$245 -2.2%	0%	-$69 -1.1%	-2%		
Non-Metro. Urban Market Areas	1997	$416	$10,957	46%	$6,441	78%	$9,608	52%
	2001	$394	$10,712	44%	$6,372	74%	na	na
	Change 1997-2001	-$22 -5.3%	-$245 -2.2%	-2%	-$69 -1.1%	-4%		
Rural Market Areas	1997	$403	$10,957	44%	$6,441	75%	$8,730	55%
	2001	$383	$10,712	43%	$6,372	72%	na	na
	Change 1997-2001	-$20 -5.0%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Virginia	1997	$597	$10,957	65%	$6,441	111%	$9,422	76%
	2001	$599	$10,712	67%	$6,372	113%	na	na
	Change 1997-2001	$2 0.3%	-$245 -2.2%	2%	-$69 -1.1%	2%		

Source: HUD (Fair Market Rents); Dept. of Labor (minimum wage rates); Social Security Administration (SSI and OASDI benefit payments)

Note: All figures are adjusted for inflation and shown in constant 2001dollars.

1-Bedroom Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas for a one-bedroom unit as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.

Minimum Wage Workers. Income is the annual minimum wage for a full-time worker.

Single SSI recipients. Income is the maximum Supplemental Security Income (SSI) benefit for a single person.

Age 65+ living on OASDI. Income is the average Social Security benefit being paid to persons age 65+ in Virginia as of December 31, 1997. This is indicative of the income of persons relying solely on OASDI benefits for income. Data for 2001 are not available but should compare closely with 1997 because OASDI benefits are fulled indexed for inflation.

Rent Burden. This is the share of monthly income needed to pay the one-bedroom Fair Market Rent.

Housing Affordability

Changes in Single Family Home Prices Relative to Incomes

Table 9C		Change in HUD Area Median Income	Change in OFHEO House Price Index	
			Actual	Inflation Adjusted
Large Metropolitan Areas				
Washington MSA	**1993-1997**	16.0%	0.2%	-10.1%
	1997-2001	21.8%	25.7%	14.1%
	Total 93-01	**41.3%**	**25.9%**	**2.6%**
Norfolk-Virginia Beach-Newport News MSA	**1993-1997**	12.1%	9.2%	-2.0%
	1997-2001	17.0%	18.2%	7.3%
	Total 93-01	**31.1%**	**29.1%**	**5.2%**
Richmond-Petersburg MSA	**1993-1997**	12.5%	8.5%	-2.6%
	1997-2001	22.4%	22.8%	11.5%
	Total 93-01	**37.6%**	**33.3%**	**8.6%**
Small Metropolitan Areas				
Roanoke MSA	**1993-1997**	12.0%	13.4%	1.8%
	1997-2001	20.8%	20.9%	9.8%
	Total 93-01	**35.3%**	**37.1%**	**11.7%**
Lynchburg MSA	**1993-1997**	14.1%	14.1%	2.4%
	1997-2001	20.2%	19.8%	8.8%
	Total 93-01	**37.1%**	**36.7%**	**11.4%**
Charlottesville MSA	**1993-1997**	14.7%	6.8%	-4.2%
	1997-2001	23.3%	26.1%	14.5%
	Total 93-01	**41.4%**	**34.7%**	**9.8%**
Danville MSA	**1993-1997**	10.6%	13.9%	2.2%
	1997-2001	15.8%	22.8%	11.5%
	Total 93-01	28.0%	39.9%	14.0%
Johnson City-Kingsport-Bristol MSA	**1993-1997**	13.7%	23.2%	10.6%
	1997-2001	22.9%	18.5%	7.6%
	Total 93-01	**39.8%**	**46.0%**	**19.0%**
Virginia	**1993-1997**	12.4%	5.1%	-5.7%
	1997-2001	24.1%	24.6%	13.1%
	Total 93-01	**39.4%**	**30.9%**	**6.7%**

Source: HUD and Office of Federal Housing Enterprise Oversight (OFHEO)

Note: Published OFHEO data cannot be reaggregated to conform to the market areas used in this report. However, in most cases, there is a close fit between MSAs and the metropolitan markets for which data is presented. Two exceptions are the Johnson City-Kingsport-Bristol MSA only a small portion of which is in Virginia, and the Washington MSA which includes both the Washington-Arlington and the Fredericksburg market areas as well as the District of Columbia and parts of Maryland and West Virginia. Separate data is not available for non-metropolitan urban and rural market areas.
parate data is not available for non-metropolitan areas.

Federal and State Rental Housing Assistance

Low-Income Family Units

Table 10A		Total Low-Income Family Units	Units per 1000 Non-Eld. Renter HHs	Family Units with Deep Subsidies	Units per 1000 Non-Eld. Renter HHs
Large Metropolitan Market Areas	**1990**	41,056	86	30,692	65
	2000	55,776	105	29,053	55
	Chg. 90-00	14,720 (35.9%)	19 (22.1%)	-1,639 (-5.3%)	-10 (-15.4%)
	Since 1/00*	5,908 net units on-line or approved		-3,187 net units on-line or approved	
Small Metropolitan Market Areas	**1990**	7,902	89	5,997	68
	2000	11,293	111	6,047	60
	Chg. 90-00	3,391 (42.9%)	22 (24.7%)	50 (0.8%)	-8 (-11.8%)
	Since 1/00*	967 net units on-line or approved		-568 net units on-line or approved	
Non-Metro. Urban Market Areas	**1990**	3,965	81	1,949	40
	2000	4,702	82	2,445	43
	Chg. 90-00	737 (18.6%)	1 (1.2%)	496 (25.4%)	3 (7.5%)
	Since 1/00*	152 net units on-line or approved		0 net units on-line or approved	
Rural Market Areas	**1990**	5,867	88	3,375	51
	2000	6,902	91	4,138	55
	Chg. 90-00	1,035 (17.6%)	3 (3.4%)	763 (22.6%)	4 (7.8%)
	Since 1/00*	661 net units on-line or approved		88 net units on-line or approved	
Virginia	**1990**	58,790	86	42,013	62
	2000	78,673	103	41,683	55
	Chg. 90-00	19,883 (33.8%)	17 (19.8%)	-330 (-0.8%)	-7 (-11.3%)
	Since 1/00*	7,688 net units on-line or approved		-3,667 net units on-line or approved	

Source: HUD, USDA (Rural Housing), PHAs, and VHDA (assisted units); U.S. Census Bureau (non-elderly renter households)

*Units placed in service or receiving federal or state funding approval since January 2000

Total Low-Income Family Units. This inventory includes family developments (i.e., developments without age restrictions intended for family occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.

Family Units with Deep Subsidies. This inventory includes family developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Non-Elderly Renter Households. These are renter households with a householder under the age of 65.

Federal and State Rental Housing Assistance

Low-Income Elderly Independent Living Units

Table 10B		Total Low-Income Elderly Units	Units per 1000 Elderly Renter HHs	Elderly Units with Deep Subsidies	Units per 1000 Elderly Renter HHs
Large Metropolitan Market Areas	**1990**	10,638	194	9,925	181
	2000	14,598	256	10,695	187
	Chg. 90-00	3,960 (37.2%)	62 (32.0%)	770 (7.8%)	6 (3.3%)
	Since 1/00*	3,131 net units on-line or approved		493 net units on-line or approved	
Small Metropolitan Market Areas	**1990**	2,744	173	2,471	156
	2000	3,749	221	3,051	180
	Chg. 90-00	1,005 (36.6%)	48 (27.7%)	580 (23.5%)	24 (15.4%)
	Since 1/00*	398 net units on-line or approved		41 net units on-line or approved	
Non-Metro. Urban Market Areas	**1990**	998	142	921	131
	2000	1,362	178	1,274	167
	Chg. 90-00	364 (36.5%)	36 (25.4%)	353 (38.3%)	36 (27.5%)
	Since 1/00*	132 net units on-line or approved		0 net units on-line or approved	
Rural Market Areas	**1990**	1,800	123	1,388	95
	2000	3,396	222	3,288	214
	Chg. 90-00	1,596 (88.7%)	99 (80.5%)	1,900 (136.9%)	119 (125.3%)
	Since 1/00*	548 net units on-line or approved		269 net units on-line or approved	
Virginia	**1990**	16,180	175	14,705	159
	2000	23,105	238	18,308	189
	Chg. 90-00	6,925 (42.8%)	63 (36.0%)	3,603 (24.5%)	30 (18.9%)
	Since 1/00*	4,209 additional units on-line or approved		803 additional units on-line or approved	

Source: HUD, USDA (Rural Housing), and VHDA (assisted units); U.S. Census Bureau (elderly renter households)

*Units placed in service or receiving federal or state funding approval since January 2000

Total Low-Income Elderly Units. This inventory includes elderly independent living developments (i.e., unlicensed developments designed for elderly occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes licensed assisted living facilities. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.

Elderly Units with Deep Subsidies. This inventory includes independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Elderly Renter Households. These are renter households with a householder aged 65 or older.

Federal and State Rental Housing Assistance

Total Low-Income Units with Deep Rental/Operating Subsidies

Table 10C		Project-Based Units	Units per 1000 Renter HHs	Tenant-Based Units	Units per 1000 Renter HHs	Total Deep Subs. Units	Units per 1000 Renter HHs
Large Metropolitan Market Areas	**1990**	40,617	77	15,225	29	55,842	105
	2000	39,748	68	26,714	46	66,462	113
	Change	-869	-9	11,489	17	10,620	8
	1990-2000	-2.1%	-11.7%	75.5%	58.6%	19.0%	7.6%
Small Metropolitan Market Areas	**1990**	8,468	81	4,362	42	12,830	123
	2000	9,098	77	5,986	51	15,084	127
	Change	630	-4	1,624	9	2,254	4
	1990-2000	7.4%	-4.9%	37.2%	21.4%	17.6%	3.3%
Non-Metro. Urban Market Areas	**1990**	2,870	51	1,609	29	4,479	80
	2000	3,719	57	2,168	33	5,887	90
	Change	849	6	559	4	1,408	10
	1990-2000	29.6%	11.8%	34.7%	13.8	31.4%	12.5%
Rural Market Areas	**1990**	4,763	58	3,217	40	7,980	98
	2000	7,426	82	4,516	50	11,942	131
	Change	2,663	24	1,299	10	3,962	33
	1990-2000	55.9%	41.4%	40.4%	25.0%	49.6%	33.7%
Virginia	**1990**	56,718	73	24,413	32	81,131	105
	2000	59,991	70	39,384	46	99,375	115
	Change	3,273	-3	14,971	14	18,244	10
	1990-2000	5.8%	-4.3%	61.3%	43.8%	22.5%	9.5%

Sources: HUD, USDA (Rural Housing), PHAs and VHDA (deep subsidy rental units); U.S. Census Bureau (renter households)

Project-Based Units. This inventory includes family and independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Tenant-Based Units. This inventory includes all authorized units under the Section 8 Housing Choice Voucher and Moderate Rehabilitation programs. Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2) separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.

Loss of Low-Rent Housing Stock

Loss of Units from Federal/State Assisted Inventory

Table 11		Units Lost from Assisted Inventory: Prepay./Opt-Out	Units Lost from Assisted Inventory: Propt. Disposition	Units Provided New Fed./State Assist.	Net Loss of Assisted Units
Large Metropolitan Market Areas	1990 to 1999	5,266	1,626	1,966	4,926
	Since Jan. 2000*	1,518	2,130	366	3,282
Small Metropolitan Market Areas	1990 to 1999	202	231	167	266
	Since Jan. 2000*	400	376	208	568
Non-Metro. Urban Market Areas	1990 to 1999	223	0	0	223
	Since Jan. 2000*	160	0	100	60
Rural Market Areas	1990 to 1999	285	0	77	208
	Since Jan. 2000*	113	0	0	113
Virginia	1990 to 1999	5,976	1,857	2,210	5,623
	Since Jan. 2000*	2,191	2,506	674	4,023

Source: HUD and USDA (Rural Housing)

*Units lost or slated to be lost since January 2000

Loss of Low-Rent Housing Stock

Demolition of Deteriorated/Obsolete Developments

Table 12		Units in Assisted Developments	Units in Large Unassisted Rental Developments	Total Units Demolished in Large Rental Developments
Large Metropolitan Market Areas	1990 to 1999	1,631	2,988	4,522
	Since Jan. 2000*	2,130	1,838	3,968
Small Metropolitan Market Areas	1990 to 1999	64	0	64
	Since Jan. 2000*	376	0	376
Non-Metro. Urban Market Areas	1990 to 1999	0	0	0
	Since Jan. 2000*	0	0	0
Rural Market Areas	1990 to 1999	0	0	0
	Since Jan. 2000*	0	0	0
Virginia	1990 to 1999	1,695	2,988	4,586
	Since Jan. 2000*	2,506	1,838	4,344

Source: HUD, PDCs, and local public agencies

*Units demolished or slated to be demolished since January 2000

Note: Includes only unassisted rental units in large developments (75 or more units). These represent only a portion of total private demolitions, but are reference here because they generally fall outside the normal trendline of losses to the rental housing stock.

Analysis of Housing Needs in the Commonwealth

Part II: Housing Needs in Large Metropolitan Markets

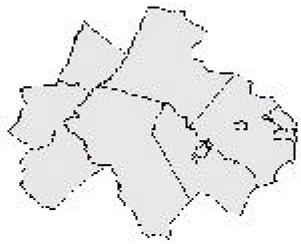
Virginia Department of Housing and Community Development

Virginia Housing Development Authority

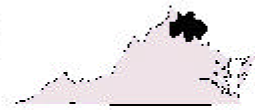
November 2001

Part II: Housing Needs in Large Metropolitan Areas

Contents



Washington-Arlington Market Area (Virginia portion)



Older Core Localities: Arlington County; Alexandria and Falls Church Cities

Other Urban and Suburban Localities: Fairfax, Loudoun and Prince William Counties; Fairfax, Manassas and Manassas Park Cities

Outlying Localities: Clarke, Fauquier, Rappahannock and Warren Counties

Summary of Priority Housing Issues and Needs

Two half-day housing forums were held in Fairfax on March 29, 2001 to solicit public input on housing needs and priorities in Northern Virginia. Over 180 persons participated in small, facilitated discussion groups at the two forums, the vast majority of whom represented housing needs and interests in the Virginia portion of the Washington-Arlington housing market area. The following is a summary of the priority issues and needs identified by forum participants. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forums.

Four Major Themes and Associated Issues Identified at the Fairfax Forums

1. Rapid growth and high demand are decreasing the availability of affordable housing.

Priority Issues Identified by Forum Participants

- **Housing prices are increasing faster than wages for low-income households.**

  The region is a high growth employment center, which has increased the cost of land for development. As a result, new rental and single-family developments are targeting higher income individuals. Rental rates for existing properties have also been increasing due to high demand. Income levels for low-income persons are not keeping pace with the rise in housing costs. People earning less than 50 percent of the area median income are getting squeezed out of the market. Minimum wage is not a living wage in the region and many working poor are not able to afford homes and cannot find decent, affordable rental units.

- **There has been a decrease in affordable housing.**

  Many affordable housing units are being converted to market rate housing or lost to redevelopment. The existing inventory of affordable housing is disappearing because the

1. Rapid growth and high demand are decreasing the availability of affordable housing.
(continued)

land is more valuable for other uses. Affordable housing is also being lost as a result of revitalization. Affordable units are being replaced with more expensive housing. Efforts are needed to preserve and replace affordable housing units. More programs or incentives are needed to encourage private developers to build low-income housing.

- **Landlords are dropping out of the Housing Choice Voucher program.**

  There are few incentives for landlords to continue participation in project-based and tenant-based Section 8 programs. HUD regulations decrease landlord motivation to extend project-based subsidy contracts. Likewise, fewer landlords are participating in the voucher program because market rate rents are so high.

Related Issues Identified through Needs Analysis

- **Housing production has not kept pace with household growth so the housing market is very tight.**

  During the 1990s, growth in households substantially exceeded the increase in housing units. Consequently, there was a large decline in vacant units. In 2000, there were nearly 4,400 fewer available vacant homeowner units and 12,400 fewer available vacant rental units than in 1990. This extreme tightening of the market resulted in homeowner and rental vacancy rates in 2000 that were by far the lowest of any market area in Virginia. The homeowner vacancy rate of 0.8 percent and the rental vacancy rate of 2.6 percent were just half the respective statewide rates. This has contributed to rapidly rising housing costs since 1997.

- **The impact of tight market conditions has been greatest in the localities closest to Washington.**

  The decline in vacant homeowner units has been concentrated in the older core localities and other heavily urbanized localities, while the decline in rental vacancies has been somewhat more broadly distributed and has impacted suburban areas as well. There has been little or no decline in vacant units in the outlying counties.

1. Rapid growth and high demand are decreasing the availability of affordable housing.
(continued)

- **Tight market conditions have exacerbated the very large affordability gap for the lowest income households.**

  The Washington-Arlington market has very high housing costs, but also has very high median income. Available data indicate that a comparable share of median household income is required to afford housing in the Virginia portion of the Washington-Arlington area as in Hampton Roads and Richmond markets. Nonetheless, the lowest income households—those dependent on fixed public benefit payments or very low wages—face an affordability gap that is extremely large and higher than in any other Virginia market. In 2001, the cost of a one-bedroom unit at the HUD Fair Market Rent ranged from 98 percent of income for a full-time minimum wage worker to 160 percent of income for a disabled person dependent on Supplemental Security Income (SSI).

- **There is a sizeable difference in costs between core and outlying areas that further impacts low-income people.**

  The sizeable intra-market difference in housing costs is the result of the large geographic expanse of the market area and the significant time and cost of commuting. Substantially lower land costs in suburban and outlying areas have pulled much of the new affordable housing development to the outer ring of the market and to the adjacent Fredericksburg area. This has imposed a burden on the lowest income populations who depend on employment and/or services—especially public transit—that are located inside the Beltway where housing costs are highest. As in other urban markets, households living in poverty are disproportionately concentrated in core localities. However, in contrast to the Hampton Roads and Richmond markets, there is not a corresponding concentration of publicly assisted housing in core localities.

- **The Virginia portion of the Washington-Arlington market has a much lower ratio of deep subsidy rental units to renter households than Hampton Roads or Richmond.**

  The ratio of deep subsidy rental units to renter households is less than half the ratio found in Hampton Roads and Richmond. The differential is partly due to the relatively smaller inner-city poverty population in the Virginia portion of the Washington-Arlington market. However, the extremely high gap between housing costs and the income of low- and moderate-income households suggests there is

1. Rapid growth and high demand are decreasing the availability of affordable housing. (continued)

a high level of need for deep subsidy assistance that extends beyond persons in poverty. The low ratio of deep subsidy units to renter households results from relatively fewer pre-1980 deep subsidy units (e.g., the relatively small number of public housing units) and the area's very rapid growth during the past twenty years when deep federal rental subsidies have been relatively less available.

- **There is growing need for larger affordable rental units.**

  Household size is increasing in many portions of the market, particularly inside the Beltway. There is a rapidly growing immigrant population with larger families that needs affordable rental units, but much of the affordable rental stock in core localities consists of units with one or two bedrooms and small square footage. Many of the assisted rental units with larger bedroom sizes have been or are at risk of being converted to market-rate occupancy.

2. The demand for housing and support services for people with special needs is increasing.

Priority Issues Identified by Forum Participants

- **The number of homeless people is increasing.**

  The number of homeless families and individuals are increasing due to very high rental costs relative to the income of low-wage workers. The availability of housing and services is inadequate to meet their needs. There is a shortage of homeless and emergency shelters, and an inadequate supply of transitional housing. Once in transitional housing, there is a long waiting list for Housing Choice Vouchers needed to afford adequate permanent housing. At present, there is no regional plan for ending homelessness.

- **People with disabilities have few housing choices.**

  There is high demand for and low supply of barrier-free units. There is also a need to increase the supply of affordable units that incorporate "universal design" features. Overall, people are not attuned to the needs of the disabled so there is very little support for disabled housing. This is reflected in a number of ways. Many multifamily units are not in compliance with the Americans with Disabilities Act (ADA), and there are no accessibility standards in place for single-family units. Few programs address barrier removal and home retrofit for seniors and other disabled persons.

2. The demand for housing and support services for people with special needs is increasing.
(continued)

- **Inadequate residential supportive services are available to people with disabilities.**

  People with mental or physical disabilities need a wide variety of residential support services. Many people need long-term services and support. Ongoing case management is a critical need. However, many disabled people are not receiving the services they need in order to live independently. There is a disconnection between housing, transportation, and employment services and opportunities. De-institutionalization has resulted in people being released with little or no support services and few housing choices, leading to "recycling" of people back into institutions.

- **Transitional housing choices are limited.**

  A complete spectrum of housing choices is needed to ensure a variety of living options that will provide levels of support based on individual needs. Accessible and affordable transitional housing is needed for individuals moving from nursing homes or institutions to independent living, people with mental or physical disabilities, those released from jail, and people who are homeless. There is also a need for group homes and other permanent supportive housing facilities. Currently, people leaving treatment-oriented programs have nowhere to transition. The availability of funding assistance for those living in supportive housing facilities is too limited.

- **Other types of supportive services are also needed.**

  Other types of supportive services are needed by people with disabilities, seniors, and new immigrants. For example, minimal support services are available for low-income people who have limited life skills and job training; this restricts their housing options. Immigrants and cultural minorities need specialized housing counseling services to help them overcome language and cultural barriers.

Related Issues Identified through Needs Analysis

- **The market lacks affordable supportive housing to serve the expected increase in people age 85 and older.**

  The population age 85 and older is expected to grow by 6,700 between 2000 and 2010—nearly a quarter of the statewide increase. A large share of those people will need

2. The demand for housing and support services for people with special needs is increasing.
(continued)

residential support services, but there are extremely few affordable supportive housing options in the market area to serve the needs of that population. Historically, reimbursement rates in the state's Auxiliary Grant program did not adequately reflect high market area costs. This has resulted in extremely few licensed adult care facilities able and willing to serve low-income seniors in need of subsidy assistance. As a result, many low-income seniors have had to seek supportive housing outside the market area. Currently, the high cost of providing assisted living services precludes the development of new assisted living options serving very low-income persons in the absence of new service subsidies.

3. There is insufficient awareness, commitment, and support for housing issues in the region

Priority Issues Identified by Forum Participants

- **Public policies are not linked to housing issues.**

The Virginia portion of the Washington-Arlington market has complex and unique housing issues, and community acceptance and leadership by elected officials is needed to meet these needs. More needs to be done to develop comprehensive and coordinated regional strategies. There is no cohesive public and private regional plan for affordable housing. There is also a disconnect between land use policies, transportation, employment centers and services, and housing development. In particular, there is a disconnection between the location of affordable housing and job opportunities. Large corporations moving into the area have an effect on housing availability and affordability and this should be considered in comprehensive planning.

In addition, there are barriers to effective implementation of housing solutions. There are a lack of zoning tools to encourage affordable housing in Virginia compared to other states. Zoning policies and occupancy standards are not responsive to housing supply and demand issues. High rise development and SRO housing are possible solutions that are not being fully explored. Manufactured housing is often prohibited.

- **Housing is not given enough priority.**

Local, state, and federal officials have not made affordable housing a high priority issue. There is a lack of political will and long-term commitment to address housing problems,

3. There is insufficient awareness, commitment, and support for housing issues in the region (continued)

and State resources for affordable housing have decreased. Housing becomes subordinated to other issues. There is a perception that no real planning takes place concerning affordable housing, and the emphasis is on economic development and generation of new revenues. Affordable housing is viewed only as an expense. The public sector has an important role to play in gathering accurate and current data and using it to predict housing needs. The public sector also has a key role in addressing a variety of important infrastructure issues related to housing.

- **A more holistic approach to housing is needed.**

The provision of affordable housing needs to be viewed from a systems perspective. Housing is a community issue, not just an individual or family matter. Holistic solutions are needed, not just solutions which favor one segment of the community. Affordable housing needs to be integrated into a variety of mixed-income communities. Localities and nonprofits need to work together regionally to address housing issues.

- **Community understanding and support are insufficient.**

There is a negative perception of people who reside in affordable housing. There is a stigma associated with low-income, mental illness, and persons in need that leads to a "not-in-my-backyard" attitude. More marketing and education is needed on what affordable housing is and who it serves in order to increase community understanding and acceptance. People with special challenges need to be integrated into a community vision for housing and valued. The mainstream is not educated on the issues surrounding homelessness and special need populations and their cost to society.

4. Existing programs and services need to be better utilized

Priority Issues Identified by Forum Participants

- **Access to and use of existing programs needs to be increased.**

Singles, disabled people, and people on limited fixed incomes do not meet the criteria for existing housing programs that are appropriate to their needs. VHDA credit guidelines hinder serving first-time homebuyers and other populations who need assistance. Attention should be paid

4. Existing programs and services need to be better utilized
(continued)

to regional differences when establishing economic standards for housing programs. There is a need to add housing consumers to the VHDA and DHCD Boards and create greater two-way communication between DHCD/ VHDA and the various regions in order to increase understanding of needs and utilization of resources. Public awareness of existing programs and resources also needs to be increased.

- **Additional financial resources are needed.**

Financing is needed to bridge the gap between high costs and low incomes. There is a need for low interest or no down payment mortgage programs for low-income individuals. Voluntary incentives, such as tax credits, are needed for developers to provide affordable housing. There is too much emphasis on homeownership as a solution to housing affordability. VHDA needs to make better use of all available financial resources.

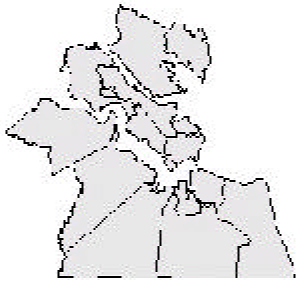
- **Program administration is uneven.**

There is a perception that the administration of regulations, such as building and maintenance codes, and existing subsidies for housing, are unevenly applied across the region.

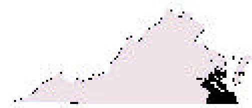
Related Issues Identified through Needs Analysis

- **There is limited local involvement in administering the Housing Choice Voucher program in outlying counties.**

Three of the four outlying counties in the market area (i.e., Clarke, Warren, and Rappahannock) have no local Housing Choice Voucher program. This limits access to affordable rental housing by the lowest income populations in the outlying portions of the region, and exacerbates the market's significant shortfall in deep rental subsidy assistance compared to the other large metropolitan areas.



Hampton Roads Market Area (Virginia portion)



Older Core Localities: Hampton, Newport News, Norfolk, and Portsmouth Cities

Other Urban and Suburban Localities: Gloucester, James City and York Counties; Chesapeake, Poquoson, Suffolk, Virginia Beach and Williamsburg Cities

Outlying Localities: Isle of Wight, Mathews and Surry Counties

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Norfolk on April 3, 2001 to solicit public input on housing needs and priorities in the Hampton Roads market area. Over 100 persons participated in small, facilitated discussion groups at the forum. The following is a summary of the priority issues and needs identified by forum participants. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the six primary themes arising from public discussion at the forum.

Six Major Themes and Associated Issues Identified at the Norfolk Forum

1. The availability of affordable housing is decreasing in the region.

Priority Issues Identified by Forum Participants

- **Housing prices are increasing faster than wages for low-income households.**

  Median income in the region is lower than in other metropolitan areas. Many low-income people are reliant on low paying jobs. Minimum wage is not enough income to provide a true living wage that permits individuals and families to acquire safe, decent affordable housing. Training and education are needed to help bring income levels above minimum wage, and priority should be given to recruiting companies that pay living wages. In addition, economic disparity exists within the region with some areas having high concentrations of poverty. Affordable housing needs to be located in proximity to employment opportunities and transportation.

- **There is an insufficient amount of affordable housing.**

  Low- and moderate-income households are being squeezed out of the housing market. There is a shortage of

1. The availability of affordable housing is decreasing in the region.
(continued)

affordable rental and homeowner units as a result of rising housing costs and redevelopment of existing affordable neighborhoods. New housing developments and replacement housing in redevelopment areas are being built and marketed for more affluent consumers and not for residents with limited earning potential. Infill housing needs to be promoted.

- **The amount of housing available to Housing Choice Voucher recipients is declining.**

  There is a realization that there will always be a segment of the population that will need deep subsidies, but that has not resulted in sufficient awareness of or participation in available deep subsidy programs. Not enough landlords are aware of the Housing Choice Voucher program and participating in it. More attention needs to be given to preserving existing affordable housing and increasing the willingness of landlords to accept vouchers. Additional incentives are needed for landlords to rent to individuals and families with lower incomes.

Related Issues Identified through Needs Analysis

- **The increase in housing units has not kept pace with household growth so the market has tightened.**

  During the 1990s, growth in households considerably exceeded the increase in housing units. Consequently, there was a large decline in vacant units. In 2000, there were 3,300 fewer available vacant homeowner units and nearly 8,400 fewer available vacant rental units than in 1990. The significant reduction in homeowner and rental vacancy rates has contributed to an escalation of housing costs since 1997.

- **The shortfall in housing units was partly due to demolition of large numbers of deteriorated and obsolete rental units.**

  Between 1990 and 2000, over 2,700 housing units in large deteriorated and obsolete rental developments were demolished in the market area. An equal number of such units have been demolished or have been formally slated for demolition since January 2000. This was part of an ongoing

1. The availability of affordable housing is decreasing in the region.
(continued)

trend in Hampton Roads where some localities—particularly Norfolk—have aggressively demolished older deteriorated housing as part of redevelopment projects. The demolished units have comprised a significant share of the affordable rental housing stock in the market area. However, whereas in earlier decades there was substantial replacement housing constructed utilizing federal deep rental subsidy programs, over the past 15 years, there has been a strong shift toward redevelopment of cleared land for business development or for much lower density moderate- and middle-income home single-family homeownership. There have also been increasing numbers of privately initiated demolitions of large rental developments.

- **There has also been considerable loss of affordable rental units through owner prepayments and subsidy program opt outs.**

Between 1990 and 2000, over 1,800 units were lost from the assisted rental stock as a result of assisted loan prepayments or opt-outs from federal subsidy contracts. Over 700 additional units have been lost or are formally slated to be lost through prepayments and opt-outs since January 2000.

- **The area has an above average poverty rate, and growth in per capita income lags behind most other markets.**

As noted by forum participants, Hampton Roads has a lower median income than many of the state's other metropolitan areas. It also fairs below average on other measures of household well-being. In 1997, the area's poverty rate was 18 percent higher than the statewide level. In addition, from 1990 to 2000, the rate of growth in per capita income was the third lowest among the state's 21 market areas.

At the same time, housing costs—although lower than in the Washington-Arlington and Richmond areas—are higher than in most other state housing markets. This is due to high land costs, which result from development constraints imposed by the area's coastal location. Consequently, housing affordability in Hampton Roads is relatively low. The share of median income needed to afford housing at prevailing rents is second only to that in the Fredericksburg market.

2. There is insufficient awareness, commitment, and support for housing issues in the region.

Priority Issues Identified by Forum Participants

- **Government policies and regulations negatively impact affordable housing.**

  Local governments do not focus on affordable housing. Housing policy is based upon local government's need for revenue and not the needs of the locality's population. This is reflected in exclusionary zoning and land use practices that increase the cost of housing. Fees for zoning approval (which is very cumbersome to obtain for affordable housing) and utility connections also add to housing costs.

- **Government policies concentrate poverty and limit housing choice.**

  State and federal policies and regulations result in the concentration of lower income residents, which intensifies housing maintenance problems. Zoning and development regulations create concentrations and pockets of subsidized housing instead of creating mixed-income neighborhoods. Construction of housing for people with limited resources—including people with disabilities, the homeless, and seniors—is relegated to unsafe, isolated areas.

- **There is insufficient community support for housing**.

  A "not-in-my-backyard" (NIMBY) attitude exists in the community, which makes it less likely that local governments will focus on the needs of low-income individuals. Construction of affordable and safe rental housing is not encouraged and does not exist. NIMBY attitudes often take precedence over Fair Housing considerations.

- **Regional coordination of housing efforts is needed.**

  Housing affordability is a regional issue, and better coordination is needed to develop, with the participation of elected officials, regional economic development and housing strategies. Regional competition for economic growth and NIMBY attitudes regarding multifamily housing development, decrease diversity and result in no overall planning for affordable housing. Each locality needs to do its share to provide affordable housing. Affordable housing needs to be integrated into community planning and development to help ensure access to transportation, community resources, and services.

3. The number of people with special needs is increasing.

Priority Issues Identified by Forum Participants

- **There is growing demand for more special needs housing with support services.**

Demand is rising for housing that is appropriate, affordable, and accessible to people with special needs such as the mentally or physically disabled, seniors, and people with substance abuse problems. Support services are needed in addition to appropriate housing. Specific needs include: early intervention to help people with special needs retain existing housing and maintain independence; increased capacity in emergency shelters, especially for single women, pregnant women, families, and people with disabilities; and more Housing Choice Vouchers to enable individuals with special needs to obtain affordable permanent housing.

4. Greater consumer education and support is required.

Priority Issues Identified by Forum Participants

- **Greater consumer education is needed along with training and support.**

There is a need to promote awareness of housing programs to the general public in order to make more people aware of available programs, services, and eligibility guidelines. Life skills education is needed to help people with credit problems, budgeting, home buying, renter information, home maintenance, and other issues. Financial literacy is a critical skill needed by low-income people to permit them to improve their housing situations. Many potential homebuyers are unprepared for the responsibilities of homeownership. Consumers need education and support to avoid existing predatory lending and redlining practices.

5. Greater flexibility is needed in existing programs and services.

Priority Issues Identified by Forum Participants

- **Housing needs and options are changing.**

Housing policies and program regulations are not keeping pace with the changing nature of households. Greater flexibility is needed to permit individuals, such as single parents, disabled individuals, or extended families, to combine their incomes to purchase or rent housing and live together. Program income requirements and the number of bedrooms per unit are often barriers to participation.

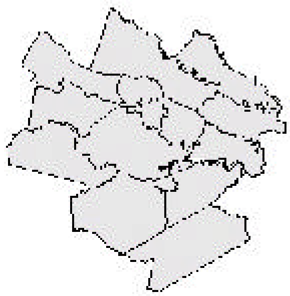
6. The capacity to develop affordable housing needs to be increased

- **There is a need to remove development barriers and increase the development capacity of nonprofits.**

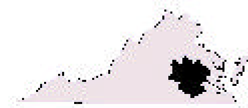
  Cost barriers exist for private developers to build affordable housing. The capacity and expertise of nonprofit developers need to be increased to help satisfy varying housing needs for both single-family and multifamily development. For example, community-based housing development organizations (CHDOs) in the region focus their efforts on single-family development and do not have the expertise to develop multifamily housing.

- **Housing funds should be awarded based on performance and merit.**

  Governments should be compelled to encourage competitiveness for public funding among local affordable housing providers and agencies based on past performance and merit. Governmental entities should also have to compete for public funding.



Richmond Market Area



Older Core Localities: Hopewell, Petersburg, and Richmond Cities

Other Urban and Suburban Localities: Chesterfield, Hanover, Henrico and Prince George Counties; Colonial Heights City

Outlying Localities: Amelia, Charles City, Dinwiddie, Gouchland, King William, New Kent, Powhatan, and Sussex Counties

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Richmond on March 28, 2001 to solicit public input on housing needs and priorities in the Richmond housing market area. Over 100 persons participated in small, facilitated discussion groups at the forum. The following is a summary of the priority issues and needs identified by forum participants. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the six primary themes arising from public discussion at the forum.

Six Major Themes and Associated Issues Identified at the Richmond Forum

1. There is a shortage of affordable, decent dwelling units.

Priority Issues Identified by Forum Participants

- **Affordable rental units are in short supply.**

  Rental housing is neither available nor affordable to low-income people. Local governments discourage high-density housing, which increases the cost of available units. There are a limited number of suitable building lots in the inner city. There is more demand for Housing Choice Vouchers than supply, especially among seniors and people with disabilities. In addition, people receiving housing vouchers cannot always find suitable housing in which to use them as fewer landlords are participating in the voucher program.

- **Available affordable housing is often in poor condition.**

  Vacant affordable housing is often in poor condition and is in undesirable locations lacking services, amenities, and resources. Available affordable housing is poorly maintained and is deteriorating in both urban and outlying localities. There are vacant affordable units due to safety concerns. Blighted housing stock negatively impacts existing neighborhoods and contributes to neighborhood decline. Grants are

1. There is a shortage of affordable, decent dwelling units.
(continued)

needed to help seniors and other low-income and fixed-income households repair and maintain their current dwellings.

Related Issues Identified through Needs Analysis

- **The increase in housing units has not kept pace with household growth so the market has tightened.**

  During the 1990s, growth in households exceeded the increase in housing units. Consequently, there was a decline in vacant units. In 2000, there were 500 fewer available vacant homeowner units and 2,200 fewer available vacant rental units than in 1990. The reduction in homeowner and rental vacancy rates has contributed to an escalation of housing costs since 1997.

- **The shortfall in housing units was partly due to demolition of large numbers of deteriorated and obsolete rental units.**

  Between 1990 and 2000, over 1,000 housing units in large deteriorated and obsolete rental developments were demolished in the market area. Over 1,100 such units have been demolished or have been formally slated for demolition since January 2000. In addition to public redevelopment projects, there have also been several privately initiated demolitions of large rental developments. Relatively few of the demolished units were, or are planned to be, replaced with affordable rental units. For the most part, cleared land has been redeveloped for lower density moderate- and middle-income homeownership.

- **There has also been considerable loss of affordable rental units through owner prepayments and subsidy program opt outs.**

  Between 1990 and 2000, nearly 1,100 units were lost from the assisted rental stock as a result of assisted loan prepayments or opt-outs from federal subsidy contracts. Nearly 500 additional units have been lost or are formally slated to be lost through prepayments and opt-outs since January 2000.

1. There is a shortage of affordable, decent dwelling units.
(continued)

- **Tighter market conditions have exacerbated the large affordability gap for the lowest income households.**

The lowest income house-holds—those dependent on fixed public benefit payments or very low wages—face an affordability gap that is very large and higher than in all but two of Virginia's 21 market areas. In 2001, the cost of a one-bedroom unit at the HUD Fair Market Rent ranged from 64 percent of income for a full-time minimum wage worker to 108 percent of income for a disabled person dependent on Supplemental Security Income (SSI).

2. Demand for housing to meet the needs of special populations is increasing.

Priority Issues Identified by Forum Participants

- **Demand for housing for people with special needs is increasing.**

People and agencies do not always know what it means to provide housing to people with disabilities. For example, there continues to be lack of understanding of accessibility needs and issues. Likewise, the need for transitional housing options, and the need for the provision and coordination of ongoing residential support services, are not fully recognized and understood. Deinstitutionalization is sending people into communities with little transition, education, support and flexibility, and with no continuum or coordination of housing and support services. Affordable and accessible housing is very limited for people with disabilities. There is a shortage of single room occupancy (SRO) and small apartments for people with disabilities.

3. A more comprehensive approach is needed to providing affordable housing.

Priority Issues Identified by Forum Participants

- **Regional planning is needed for housing.**

Regional planning and cooperative efforts between communities and agencies are needed to help ensure that affordable housing is available and accessible. Development activities in one locality have an impact on other localities within the region. Suburban sprawl stresses the natural environment, increases housing costs, and creates transportation challenges for low-income people. Jurisdictions with differing program guidelines and requirements hamper efforts by nonprofit developers to do projects across multi-jurisdictional boundaries.

3. A more comprehensive approach is needed to providing affordable housing.
(continued)

- **Affordable housing is not a shared responsibility.**

  Each locality needs to provide its fair share of affordable housing and work across jurisdictional boundaries to address housing needs. Revenue sharing between cities and counties should be explored since cities have a lower tax base and have difficulty maintaining schools and providing critical social services.

- **A broader community focus is needed when developing affordable housing.**

  Housing development alone is not sufficient; a community of people is needed. Often, affordable housing development is not tied to comprehensive community planning and, therefore, appears to lack local support. Affordable housing needs to be provided within the context of community and neighborhood development. Access to schools, employment, transportation, retail goods, and support services is critical. Access to employment is limited for many low- and moderate-income people, especially in urban areas. Minimum wage jobs preclude the ability to secure decent, affordable housing. Affordable housing is needed to support economic development.

Related Issues Identified through Needs Analysis

- **Deep subsidy housing, minorities and persons in poverty are all highly concentrated in the core cities.**

  Rental housing with deep subsidies is highly concentrated within the core cities of Richmond, Petersburg and Hopewell. The ratio of deep subsidy rental units per 1000 renter households is 76 percent higher in these localities than it is in the market area as a whole. Likewise, minorities and persons in poverty are highly concentrated in the core localities. The minority share of total population is 74 percent higher in the core cities than in the market area as a whole, and the poverty rate in the core cities is more than double the rate in the market area as a whole. Furthermore, the Richmond area's concentration of deep subsidy housing, minorities and poverty is far higher than in the other large metropolitan housing markets. This has a substantial impact on the ability of low-income families to exercise adequate choice in the location of their housing.

3. A more comprehensive approach is needed to providing affordable housing.
(continued)

Deep subsidy rental housing for the elderly is as highly concentrated in core localities as deep subsidy rental housing for families. This is problematic because the population age 75 and older is expected to decline in the core cities between 2000 and 2010, particularly among persons age 75 to 84 years, at the same time that the elderly population in the surrounding counties is expected to continue to increase rapidly. This will pose a potential mismatch between the location of assisted senior housing and the location choice of elderly renter households.

4. Local policies, regulations, and attitudes increase the cost of housing and limit availability.

Priority Issues Identified by Forum Participants

- **Government policies reduce housing affordability.**

Local governments view housing as an expense to be supported, not as a revenue source. As a result, there is a desire for larger, more expensive homes that generate more tax revenue. Zoning ordinances that promote large lots and low-density development increase the costs of housing, thereby pricing many consumers out of the market, and push development out further from employment centers. Developers pass on the costs of regulations, fees and restrictive covenants to housing consumers. A number or specific factors add to costs, precluding low- and moderate-income individuals from purchasing homes. These include: (1) bureaucracy, red tape, and time delays that create obstacles to housing production; (2) cash proffer requirements; (3) fees for utility hookups; (4) building regulations; (5) aesthetic requirements such as brick chimneys; (6) minimum house and lot sizes; and (7) historic review.

- **Community Attitudes Limit Housing Options.**

There is a strong "not-in-my-backyard" attitude towards affordable housing. This supports a lack of political will to address the housing needs of poor people and people with disabilities. Affordable housing is often viewed as undesirable because it is linked to crime, drugs, and old poorly maintained buildings. A "no growth" public attitude makes providing affordable housing difficult. Education and awareness about affordable and accessible housing are needed to help change established impressions.

5. There are barriers to accessing decent, safe, and affordable housing.

Priority Issues Identified by Forum Participants

- **Poor credit and limited financial/life skills are barriers to accessing housing and make people susceptible to predatory lending.**

  Bad credit limits the ability of people to get loans and obtain suitable housing. Many people do not know how to budget their finances and clear up bad credit histories that developed through divorce, nonpayment of medical bills, or other major events. Education is needed in high school, or even earlier, to help people develop these life skills. People need counseling to help them understand how to purchase housing and insurance and how to review and sign contracts. Predatory lending is a critical issue.

- **Discrimination is taking place.**

  Discrimination due to race, age, or disability limits housing opportunities for both owners and renters. There continue to be serious discriminatory practices against low-income, homeless, and disabled people.

- **There are obstacles that prevent families from "moving up" to conventional housing.**

  Many families are "trapped" in either subsidized or undesirable housing due to a lack of: affordable alternatives in surrounding communities; down payment for a mortgage; and employment, services, and amenities in low-income neighborhoods.

6. Program requirements and funding levels limit participation by people in need.

Priority Issues Identified by Forum Participants

- **Program guidelines limit participation.**

  A number of specific programmatic issues were identified as limiting program participation.

  Occupancy standards. Some tax credit project land-lords restrict housing options for people with disabilities by imposing minimum income and asset levels that exceed Supplemental Security Income (SSI) and disability payment levels. Intact families are restricted from homeless services because fathers are not allowed in shelters.

  Single-family borrower standards. Existing affordable housing programs often do not meet the needs of low- and

6. Program requirements and funding levels limit participation by people in need.
(continued)

very low-income borrowers. VHDA needs to review its definition of "family" in order to broaden the group of people who can purchase homes. VHDA should also expand the types of manufactured housing that it will finance.

Input from consumers. People with special needs are not sufficiently included in program design and implementation activities. Tax credit programs need to be revised as housing organizations are using them to their advantage but not always to the benefit of the people the programs are intended to help.

- **Additional financial resources should be targeted to specific unmet needs.**

Loan programs are needed to encourage mixed income communities, including low interest loans for construction and permanent financing. Gap financing is needed for low-income families. More funding is needed for supportive housing and services.

Conditions and Trends Impacting Housing Needs, 1990-2000

This section compares key conditions and trends impacting housing needs in the three large metropolitan areas of Virginia. It looks only at those factors for which market-specific data is available and for which trends and conditions differ meaningfully from those that prevail statewide. Therefore, it is more abbreviated than the broader review provided in Part I—Statewide Overview.

Large Metropolitan Housing Markets

Washington-Arlington (Virginia portion)[1]

- **Older core localities:** Arlington County; Alexandria and Falls Church Cities
- **Other urban and suburban localities:** Fairfax, Loudoun and Prince William Counties; Fairfax, Manassas and Manassas Park Cities
- **Outlying localities:** Clarke, Fauquier, Rappahannock and Warren Counties

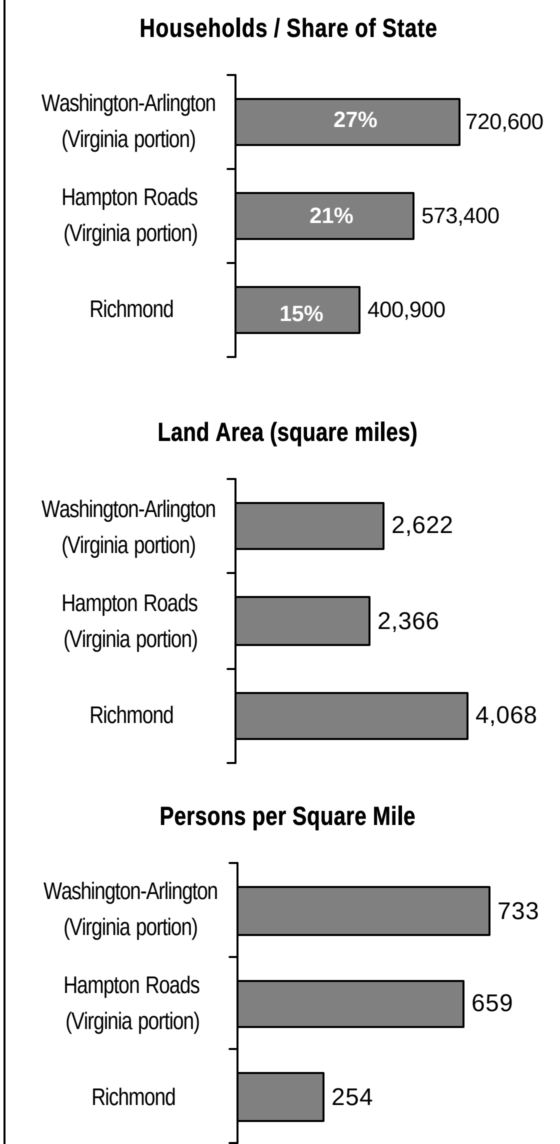
Hampton Roads (Virginia portion)[2]

- **Older core localities:** Hampton, Newport News, Norfolk and Portsmouth Cities
- **Other urban and suburban localities:** Gloucester, James City and York Counties; Chesapeake, Poquoson, Suffolk, Virginia Beach and Williamsburg Cities
- **Outlying localities:** Isle of Wight, Mathews and Surry Counties

Richmond Market Area

- **Older core localities:** Hopewell, Petersburg and Richmond Cities
- **Other urban and suburban localities:** Chesterfield, Hanover, Henrico and Prince George Counties; Colonial Heights City
- **Outlying localities:** Amelia, Charles City, Dinwiddie, Gouchland, King William, New Kent, Powhatan and Sussex Counties

Market Area Characteristics: 2000



Source: Table 2A and U.S. Census Bureau

[1] The full market includes the District of Columbia and localities in Maryland and West Virginia.
[2] The full market includes localities in North Carolina. All references to "Hampton Roads" refer only to the Virginia portion of the area. The part that lies outside of Virginia contains a very small share of the land area, households and housing. In contrast, a majority of the land area, households and housing in the Washington-Arlington market lie outside of Virginia. Therefore, all references are to the "Virginia portion" of the Washington-Arlington area to ensure clarity.

Growth in Households and Housing

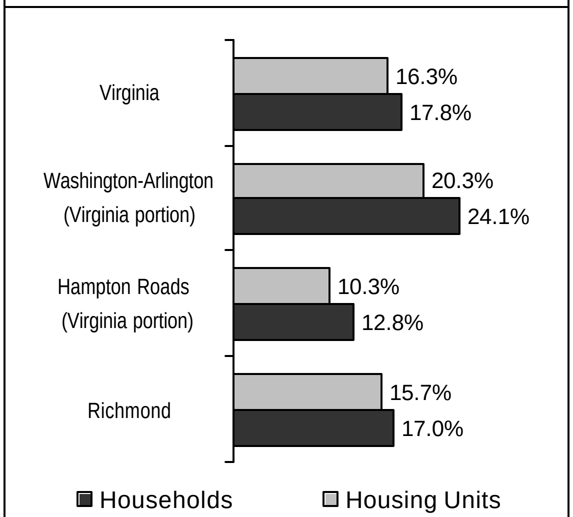
Household growth differs significantly among the large metropolitan markets.

During the 1990s, household growth in the large metropolitan housing markets diverged. Growth in the Virginia portion of the Washington-Arlington metropolitan area was well above the statewide rate. In contrast, growth in the Richmond area closely tracked statewide growth, while the Hampton Roads area experienced a growth rate that was considerably below the statewide level (Table 2A).[3]

The rate of household growth exceeded housing unit increases in all three areas.

Despite differences, household growth rates in all three markets exceeded the growth rate in housing units. In all three areas, the absolute increase in housing units was less than the increase in households. This shortfall in housing production led to a decline in the number of available vacant units. As a result, by the end of the decade there was a tightening in each of the three markets with upward pressure on home prices and rents (Tables 1 and 2A).

Change in Households and Housing: 1990-2000

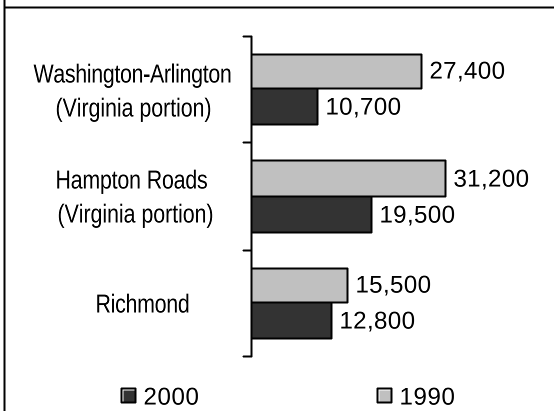


Source: Tables 1 and 2A

The magnitude of the tightening in the large metropolitan markets varied.

There was a wide difference among the three markets in the magnitude of the production shortfall and the resultant decline in vacancies. In the Virginia portion of the Washington-Arlington area, the number of available vacant units fell by over 16,700 (61%); in Hampton Roads, available vacant units dropped by nearly 11,700 (38%); while in the Richmond area, the number of available vacant units fell by 2,700 (18%) (Table 2B).

Total Available Vacant Units: 1990 and 2000



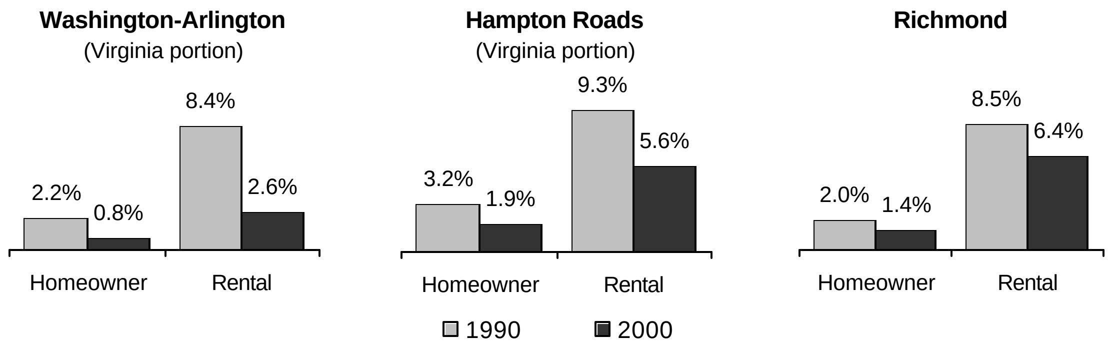
Source: Table 2B

It is unclear whether the lag in housing production is temporary or longer-term.

A very substantial ramp-up of household growth and housing demand occurred subsequent to 1997, particularly in the Virginia portion of the Washington-Arlington market. Such large and unanticipated increases in demand frequently encounter a lag in market

[3] Data tables are at the end of each part of the report.

Homeowner and Rental Vacancy Rates: 1990 and 2000



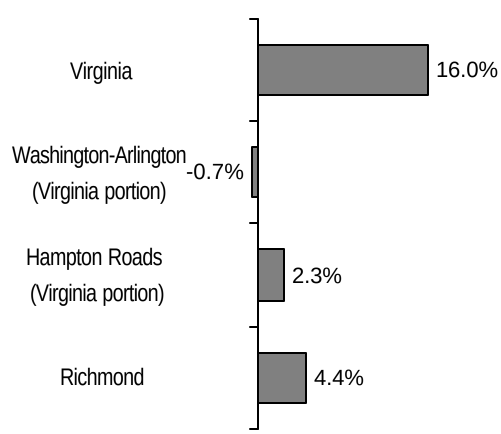
Source: Table 2B

response. A very large inventory of new housing is currently coming to market in the large metropolitan areas to help meet this demand. There is as yet insufficient data from which to draw conclusions as to whether these units will be sufficient to ease currently tight vacancies.

All three markets saw an increase in the share of single-family site-built homes but little use of manufactured homes.

The share of single-family site-built units increased in each of the large metropolitan markets (Table 1). The increase was largest in the Richmond market, which has a much larger land area and considerably lower population density than the Virginia portion of the Washington-Arlington and Hampton Roads markets. In contrast, manufactured units represented a very small portion of the increase in housing units in Hampton Roads and Richmond (three percent or less). In the Virginia portion of the Washington-Arlington market, the number of manufactured housing units actually declined (Table 1).

Manufactured Home Share of Net Change in Single-Family Housing Stock: 1990-2000



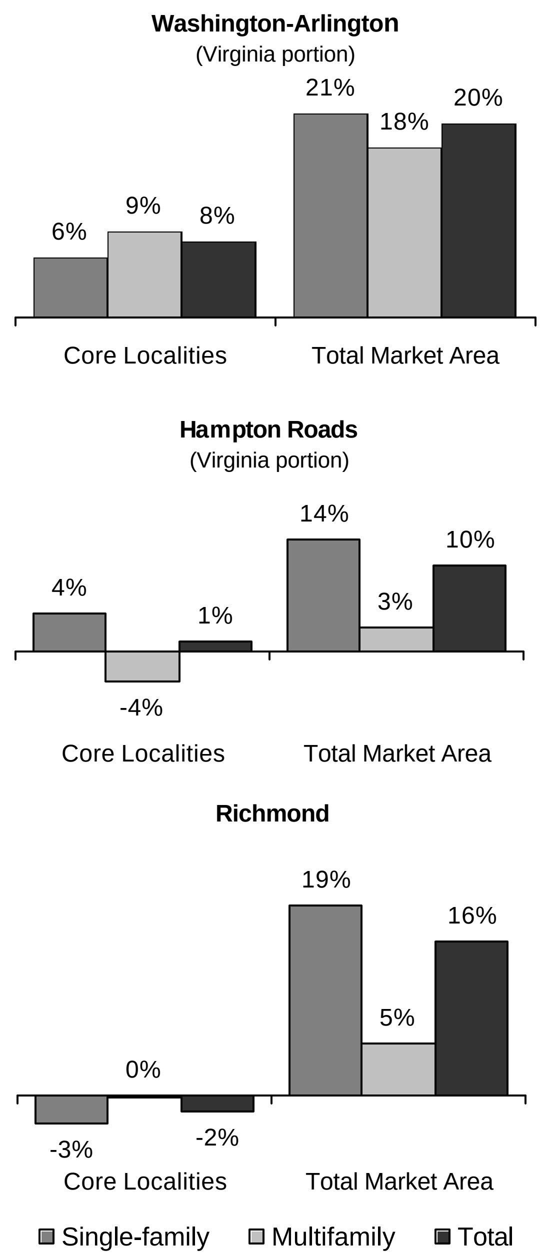
Source: Table 1

The distribution and pattern of housing stock change differed among the three large metropolitan markets.

In the Richmond and Hampton Roads markets, all or virtually all of the net increase in housing units occurred outside of the core localities, while in the Virginia portion of the Washington-Arlington market there was significant housing growth in the core localities albeit at a rate less than half that of the total market.

There was also a substantial difference in the three markets in the rate of single-family and multifamily housing growth. In the Virginia portion of the Washington-Arlington market, multifamily units grew at a rate close to that of single-family housing. In the core localities of that market, multifamily housing

Estimated Change in Housing Stock by Type of Structure: 1990-2000



Source: Table 1

growth exceeded increases in single-family units. In contrast, in the Hampton Roads and Richmond areas, the growth in single-family units was roughly four times higher than the increase in multifamily units.

In Hampton Roads, the overall housing stock in core localities was fairly static, but aggressive local redevelopment efforts led to a significant decline in multifamily units. New single-family homes replaced them as part of concerted local strategies to increase core city homeownership. In the Richmond area, significant multifamily demolitions in the core localities were offset by new multifamily units, many of which were created through adaptive reuse of formerly nonresidential space. In contrast, new home development of was insufficient to replace the single-family units lost through demolition and abandonment.

Changes in household size were strongly linked to rates of net migration.

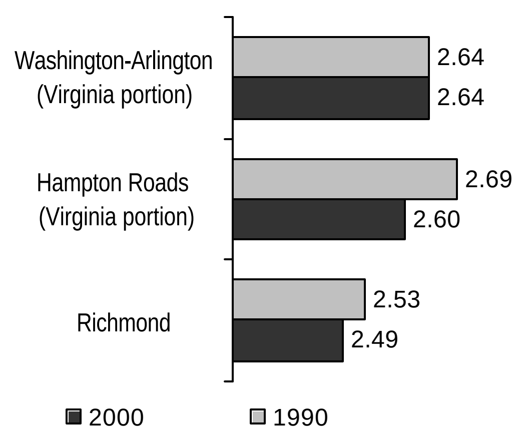
The Virginia portion of the Washington-Arlington market area experienced a very high rate of net in-migration during the 1990s. Newcomers (both from domestic and foreign) tended to be concentrated among younger adults in the childbearing years.[4] Therefore, the area's high rate of in-migration has supported higher average household size. In 2000, the Washington-Arlington area had the highest average household size in the state, and was the only housing market that did not experience a decline in average household size during the 1990s. A number of localities within that market (Arlington and Loudoun Counties, and Falls Church, Fairfax, Manassas and Manassas Park Cities) saw increases in average household size between 1990 and 2000 (Table 7).

In contrast, average household size declined in the Hampton Roads and Richmond markets. In Hampton Roads, average household size remained relatively

[4] Historically, this pattern is common among areas experiencing strong net in-migration as a result of expanding economic opportunities. Areas with net in-migration due to other factors (e.g., life-style amenities or institutional growth) may have newcomers concentrated in other age groups.

high despite the decline due to the impact of the large enlisted military population in that region. Nonetheless, average household size declined more in Hampton Roads than in the Richmond area because of net out-migration of households with children.

Average Household Size: 1990 and 2000



Source: Table 7

Average household size in the Richmond area is smaller than in the Washington-Arlington and Hampton Roads areas, and is comparable to the average household size in the small metropolitan and non-metropolitan urban markets. However, the rate of decline in average household size in the Richmond area has been less than in smaller urban markets as a result of the higher net in-migration that Richmond has experienced.

Income and Purchasing Power

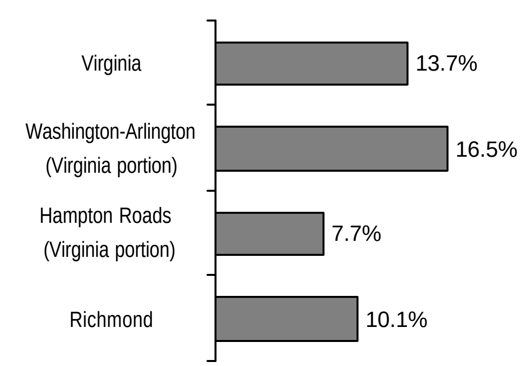
Job growth has mirrored the increase in households.

The pattern of job growth in the three large metropolitan areas has mirrored the increase in households. The Virginia portion of the Washington-Arlington market had a rate of job growth (22.8 percent) well in excess of the statewide rate (16.0 percent), while Richmond's rate of job growth (15.2 percent) was roughly comparable to the statewide level and Hampton Roads' rate of job growth (9.5 percent) significantly trailed the other areas (Table 4).

Per capita income growth was very strong in the Washington-Arlington market, but lagged in Hampton Roads and Richmond.

The increase in high-tech jobs in the Washington-Arlington area contributed to a high rate of growth in inflation-adjusted per capita income in spite of the relatively large average household size in that market. Conversely, increases in real per capita income in Hampton Roads and Richmond lagged behind the statewide rate. In Hampton Roads, the lag was partly due to the loss of higher paying civilian defense jobs. Hampton Roads' rate of growth in real per capita income was the third lowest of any market area, trailed only by the Cumberland Plateau and the Martinsville area (Table 4).

Real Per Capita Income Growth: 1990-1999

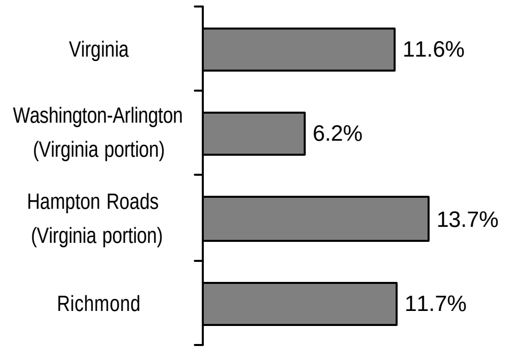


Source: Table 4

The poverty rate is low in the Washington-Arlington area, but is at or above the state rate in Richmond and Hampton Roads.

The poverty rate in the Virginia portion of the Washington-Arlington area is roughly half

Poverty Rate: 1997



Source: Table 5

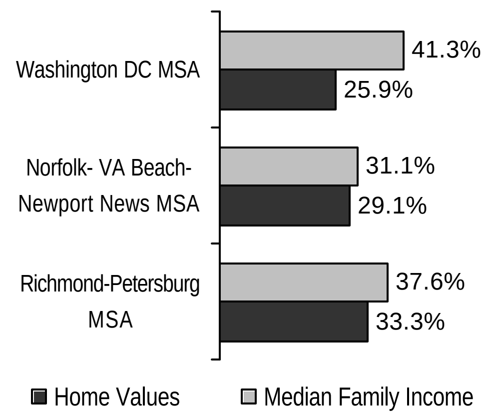
the statewide rate. This is the result of several factors including: (1) a strong local economy with extremely low unemployment; (2) very high area median income;[5] and (3) a share of the overall housing market area that is disproportionately suburban[6]. Higher poverty rates in the Hampton Roads and Richmond areas reflect their lower median incomes as well as large concentrations of poverty in their core cities (Table 5).

Housing Affordability

Increases in median family income have outpaced home appreciation.

Following the initial recovery from the 1990-91 recession, home purchases grew in response to pent-up demand and increased purchasing power. However, there was a sufficient supply of homes for sale in the large metropolitan housing markets so that inflation-adjusted home prices declined (Table 9C).[7] The decline in real home values was substantial in the Virginia portion of the Washington-Arlington market. That area suffered a prolonged period of stagnant home prices following the over-heated market conditions that resulted in the deep real estate recession of the early 1990s.

Change in Median Family Income and Home Values, Virginia: 1993-2001



Source: Table 9C

[5] Poverty is measured by uniform national income thresholds that do not reflect differences in the cost of living across regions. Areas with higher median incomes frequently will also experience higher living costs. Therefore, while areas with higher median income levels generally have lower poverty rates than areas with low average incomes, they may also have a larger share of households with incomes above the poverty level that experience difficulty meeting basic living expenses such as housing.

[6] Poverty in the Washington-Arlington market is disproportionately concentrated in the core city of Washington, DC.

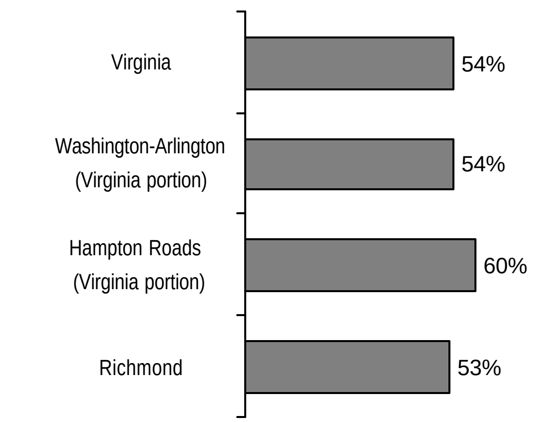
[7] The Office of Federal Housing Enterprise Oversight (OFHEO) measures changes in single-family home prices over time in metropolitan housing markets using an extremely large database on home sale activity provided by Fannie Mae and Freddie Mac. This data is used to derive an index of average price changes in repeat sales and refinancings on the same properties. This is the most reliable data on real changes in home appreciation over time. It was not possible to re-aggregate published OFHEO data to directly correspond to the market areas used in this report. Therefore, data in Table 9C is reported for metropolitan statistical areas (MSAs). These areas sufficiently correspond to the metropolitan market areas used in this report for the data to accurately reflect trends. It should be noted that the Washington DC MSA includes both the Washington-Arlington and Fredericksburg market areas. Comparable data is not available for non-metropolitan areas.

Beginning in 1997, the rate of economic and income growth accelerated in the large metropolitan markets where, in spite of robust single-family construction, demand increased faster than the supply of available homes. This has resulted in rapid rises in real home prices since 1997. However, those increases have been offset by rising real incomes and lower interest rates.

Rental affordability appears to have also increased for most households.

Available data suggests that inflation-adjusted rents were either stable or falling during the early and middle 1990s. Only in the last two years have rents begun to rise significantly in response to tightened market conditions. The "Fair Market Rents" (FMRs) as determined by HUD for the period 1997-2001 showed slight increases in inflation-adjusted rental costs (Table 9A). Nonetheless, local rent surveys, particularly in the Virginia portion of the Washington-Arlington market area, point to recent sharp spikes in rents that are not yet reflected in the FMRs. HUD too recognizes that recently the three large metropolitan rental markets have become quite tight and that the FMRs do not adequately reflect the true rents that tenants must pay in order to access the limited number of units now available in the marketplace. Therefore, HUD has reset FMRs in those markets from the 40th to the 50th percentile of prevailing market rents.[8]

Minimum Income Needed to Afford a Standard One-Bedroom Rental Unit as a Share of Area Median Income: 2001



Source: Table 9A

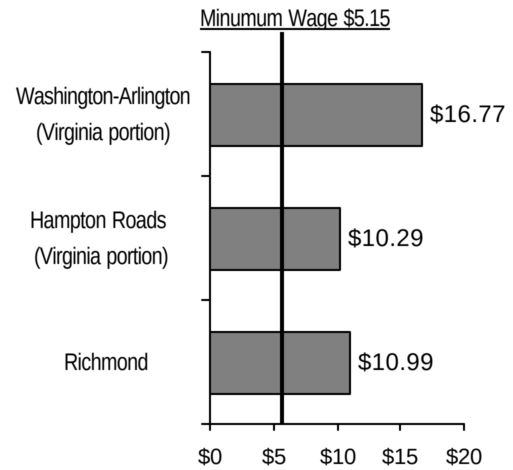
Despite overall increases in affordability, low-income households still cannot afford adequate housing.

The housing affordability standard established by the federal government is payment of no more than 30 percent of gross income for rent and utilities. Using this standard, the minimum income required for a household living in a large metropolitan area to afford adequate rental housing at prevailing market rents ranges from 53 to 60 percent of median income for a one-bedroom unit, from 48 to 55 percent of median income for a two-bedroom unit, and from 56 to 64 percent of median income for a three-bedroom unit (Table 9A).[9]

[8] Rental affordability is difficult to measure at the local level due to the limited availability of comprehensive and timely data on rental rates for specific housing markets. The one available statewide measure of prevailing local rent levels is "Fair Market Rents (FMRs)" which are established annually by HUD based on surveys of actual rents being charged in the marketplace. While useful, FMRs are imperfect measures that often fail to capture intra-market differences within large metropolitan housing markets (e.g., Washington-Arlington). Also, the methodology for determining FMRs has changed over time, making it difficult to accurately compare changes in rents between 1990 and 2000. Nevertheless, available data show a general pattern of increased affordability.

[9] Estimates are based on HUD "Fair Market Rents" and HUD estimates of median family income adjusted for family size. The following household sizes were used to estimate the percent of area median income for units of various bedroom sizes: one-person household for a one-bedroom unit; three-person household for a two-bedroom unit; and a five-person household for a three-bedroom unit. HUD figures for the Washington DC area have been adjusted to reflect conditions in the Virginia portion of that market.

Full-Time Hourly Wage Needed to Afford a One-Bedroom Rental Unit: 2001



Source: Table 9A

The gap between the cost of adequate housing and the resources of the lowest income populations is extremely large.

The lowest income populations—homeless people, people with disabilities, seniors depending primarily or exclusively on Social Security income, and minimum wage workers—all experience an extremely large gap between their limited incomes and the cost of adequate rental housing. Rent and utilities for a one-bedroom apartment exceed the entire income of a disabled person living on Supplemental Security Income (SSI). The full-time hourly wage needed to afford a one-bedroom unit at prevailing market rents ranges from twice the minimum wage in Hampton Roads to over three times the minimum wage in the Virginia portion of the Washington-Arlington area (Table 9B).

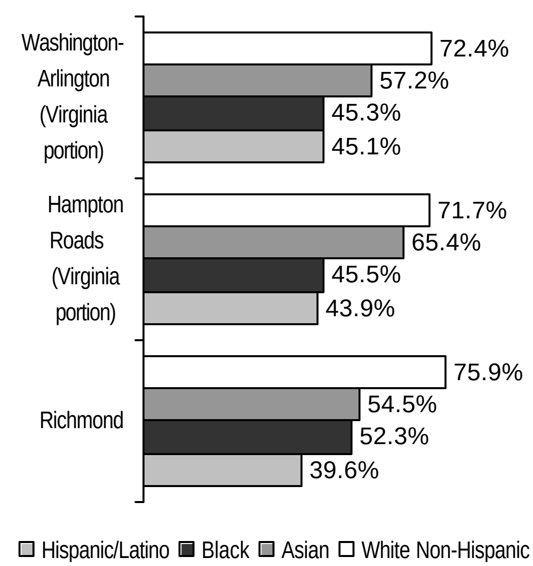
The rent burden for very low-income populations is by far the greatest in the Washington-Arlington area, where absolute housing costs are extremely high, but where there is little or no differential in the income of people dependent on public benefits income or working at jobs paying the minimum wage. In the Washington-Arlington area, the rent burden for these persons is approximately 60 percent higher than for their counterparts in Hampton Roads, and approximately 54 percent higher than for the same populations in the Richmond area.

Homeownership

The homeownership rate rose in the large metropolitan areas, but not all population groups benefited equally.

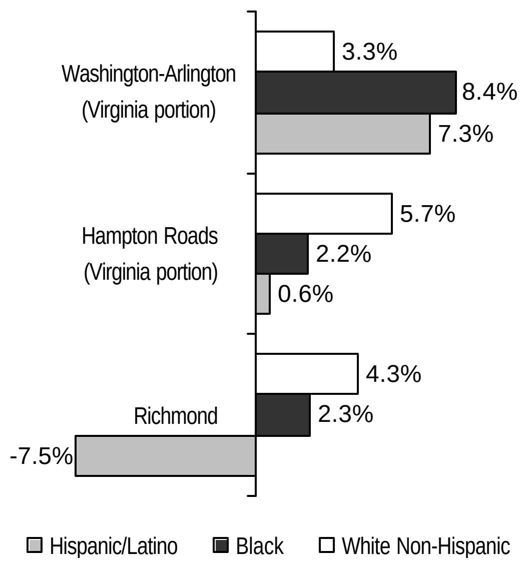
The three large metropolitan areas experienced overall increases in homeownership (Table 3A), but with wide demographic disparities. Increased homeownership was mostly limited to older age groups (Table 3B) and also varied considerably by household type (Table 3C). Homeownership rates increased for most minority groups, but there are wide disparities with non-Hispanic Whites. The disparities are similar across the three markets, with Asians experiencing

Homeownership Rate by Race and Ethnicity: 2000



Source: Table 3D

Percentage Point Change in Homeownership Rate by Race and Ethnicity: 1990-2000



Source: Table 3D

Note: Separate data for Asians for 1990 is not readily available. The comparisons shown in this chart provide only an approximate picture of actual changes. Data for 1990 and 2000 are not fully comparable due to separate counting for people of mixed race in 2000.

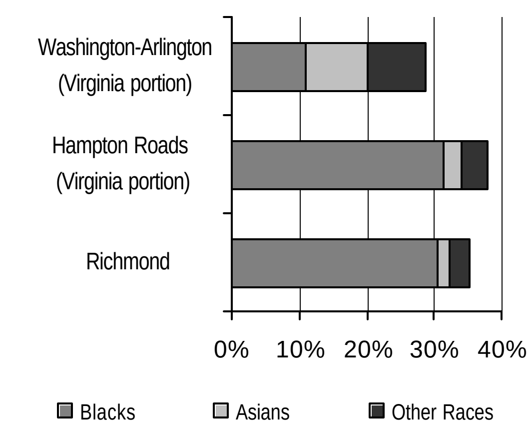
the smallest disparities and Hispanics the largest. The disparity experienced by Asians in Hampton Roads is relatively smaller than in the other markets. In the Richmond area, the disparity for Blacks is smaller, but the disparity for Hispanics is larger than in the other two markets.

The most significant differences among the three markets are in the changes in homeownership during the 1990s. In the Virginia portion of the Washington-Arlington area, homeownership for both Blacks and Hispanics increased at a much faster rate than for non-Hispanic Whites. In contrast, the gap between white and minority homeownership rates widened in Hampton Roads and Richmond. In particular, the Richmond area experienced a substantial decline in the Hispanic homeownership rate.

Disparities among racial and ethnic groups are magnified as markets become more diverse.

Minorities increased rapidly in all three large metropolitan areas during the 1990s and by 2000 accounted for approximately a third of the population in all three markets (Table 8). The Virginia portion of the Washington-Arlington area is one of several

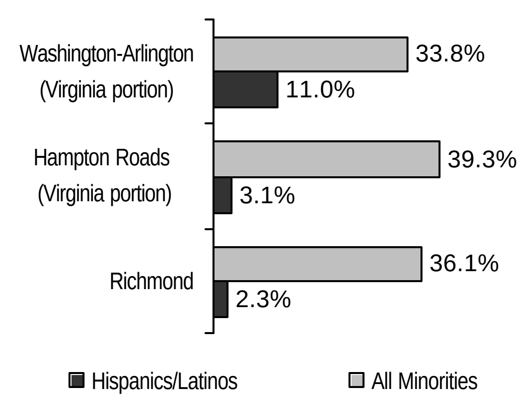
Racial Minorities as a Share of Population: 2000



Source: Table 8

Note: Other races include persons of mixed race.

Hispanic and Minority Share of Population: 2000



Source: Table 8

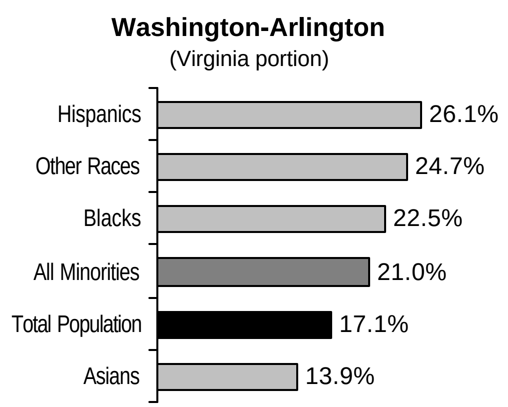
national immigration gateways and, as a consequence, has a minority population that is fairly evenly distributed across a wide array of racial and ethnic groups. In contrast, Blacks continue to represent the substantial share of the minority population in Hampton Roads and Richmond despite significant increases in Hispanics and Asians in both areas.

Minority groups are still concentrated in the core localities of the market areas.

In general, racial and ethnic minorities, continue to concentrate in the core localities of the large metropolitan markets. The exceptions are Asians who disproportionately reside in the heavily urbanized areas surrounding the core localities.

In the Virginia portion of the Washington-Arlington market area, Hispanics are the minority group most concentrated in the core localities. In the Hampton Roads and Richmond areas, Blacks are the most concentrated in the central localities.

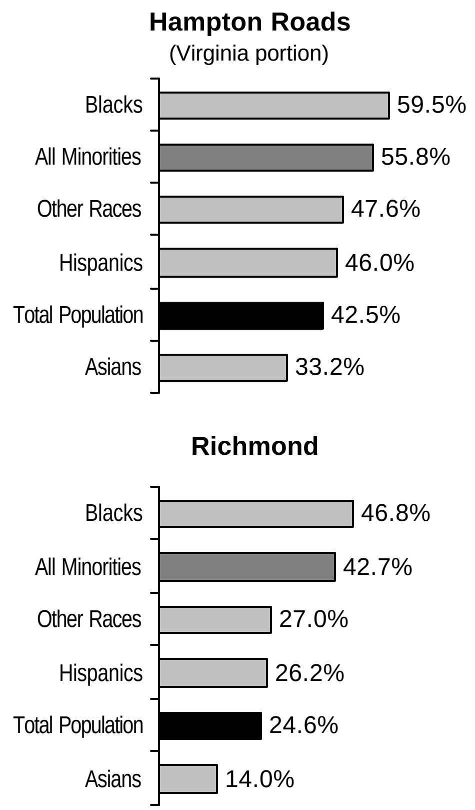
Population of Core Localities as a Share of Market Area Population: 2000



Source: Tables 2A and 8

The overall concentration of minorities in core localities is most pronounced in the Richmond area where the core cities' share of the minority population (42.7 percent) is 74 percent higher than their share of total area population (24.6%).

Population of Core Localities as a Share of Market Area Population: 2000



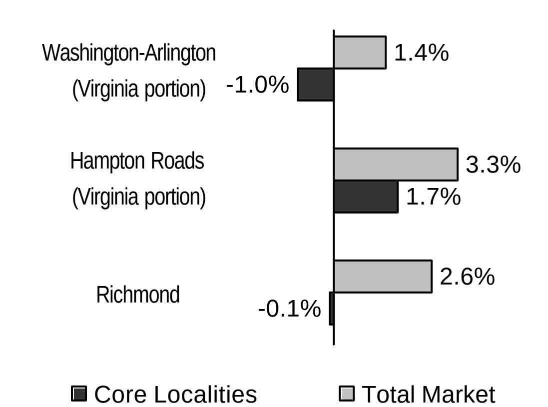
Source: Tables 2A and 8

Racial/ethnic disparities and minority concentration caused homeownership to lag in core localities.

The wide disparities in homeownership rates between minorities and non-Hispanic Whites impacted the overall homeownership rate in core localities. Whereas the home-ownership rate increased in the three market areas as a whole, the homeownership rate fell in the core localities of the Virginia portion of the Washington-Arlington area and in the Richmond area. The core localities in Hampton Roads were among the very few statewide that saw increases in homeownership, but their increase lagged behind the increase in the overall market area.

In Hampton Roads, the increase in core locality homeownership rates was reflected in the significant decline in their multifamily housing stock that resulted from aggressive local public efforts to redevelop large old and deteriorated rental housing for new single-family subdivisions. The increases in home-ownership in Hampton Roads can also be attributed to the Navy's policy of "home porting" which has encouraged more enlisted Navy personnel to purchase homes.

Percentage Point Change in Homeownership Rate: 1990-2000



Source: Table 3A

Federal and State Project-Based Rental Assistance

Lower interest rates plus federal tax credits spurred the construction and rehabilitation of low-income rental units.

During the 1990s, over 21,100 low-income rental units were built or rehabilitated in the three large metropolitan markets using federal Low-Income Housing Tax Credits. A substantial number of additional low-income units received direct assistance through the HUD Section 202 program, the Rural Housing Section 515 program, VHDA's Virginia Housing Fund, the state's Virginia Housing Partnership Fund, allocation by DHCD of federal HOME funds, and various other federal and state programs.

Total units receiving federal and state assistance did not reflect the real net increase in affordable rental housing.

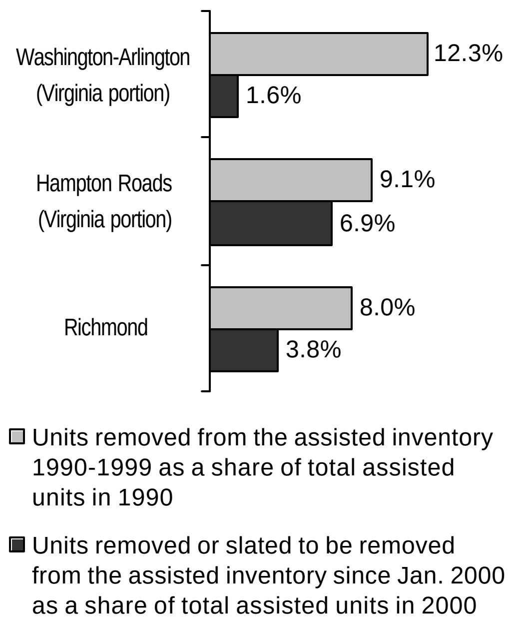
A significant share of projects receiving federal and state assistance during the 1990s involved the rehabilitation of existing low-rent units. Many of these developments had been previously financed and/or subsidized through federal and state housing programs. Other developments rehabilitated with federal and state assistance were also already a part of the affordable housing inventory. While housing rehabilitation made a significant contribution toward preserving the quality and affordability of the low-income rental housing stock, it did not increase the overall supply of affordable units.

A substantial number of affordable units were removed from the inventory of low-income rental housing.

During the 1990s, for the first time, a substantial number of affordable units were removed from the stock of federal and state assisted housing as a result of: (1) owner prepayment of federal or state mortgages and/or opt-out of federal rent subsidy contracts; (2) federal disposition of troubled properties; and (3) demolition of older deteriorated and obsolete housing.

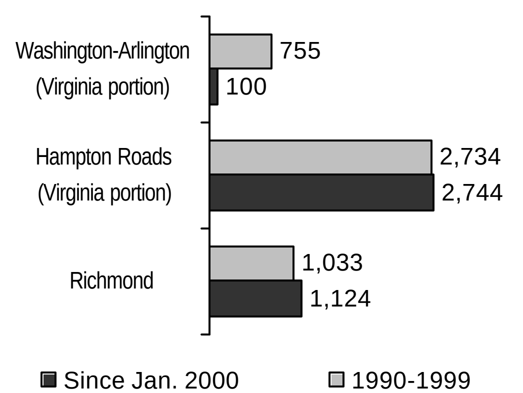
Some developments were preserved as affordable housing (albeit at higher rents) through transfer to new owners and the receipt of new federal and state assistance. Nevertheless, there was a net loss of nearly 5,000 units to the inventory of housing receiving federal and state assistance. This

Units Removed or Slated to be Removed from the Inventory of Federal and State Assisted Rental Housing as a Share of Total Assisted Units: 1990-1999 and Since January 2000



Source: Table 11

Public and Private Demolition of Deteriorated/Obsolete Low-Income Rental Units



Source: Table 12

Note: Includes units in large (75+ unit developments). Data for the period since January 2000 includes both units actually demolished and those slated to be demolished.

trend is continuing with nearly 3,300 additional units already lost or slated to be lost this decade (Table 11). These units represent a significant share of the assisted rental housing stock in the three large metropolitan areas.

In the three large metropolitan market areas, over 4,500 assisted and unassisted units were removed from the inventory of low-income rental housing because of public and private demolition activity. This trend has also accelerated with a nearly equal number of assisted and unassisted units demolished or slated for demolition so far this decade (Table 12).

Nevertheless, the overall stock of low-income rental housing grew substantially.

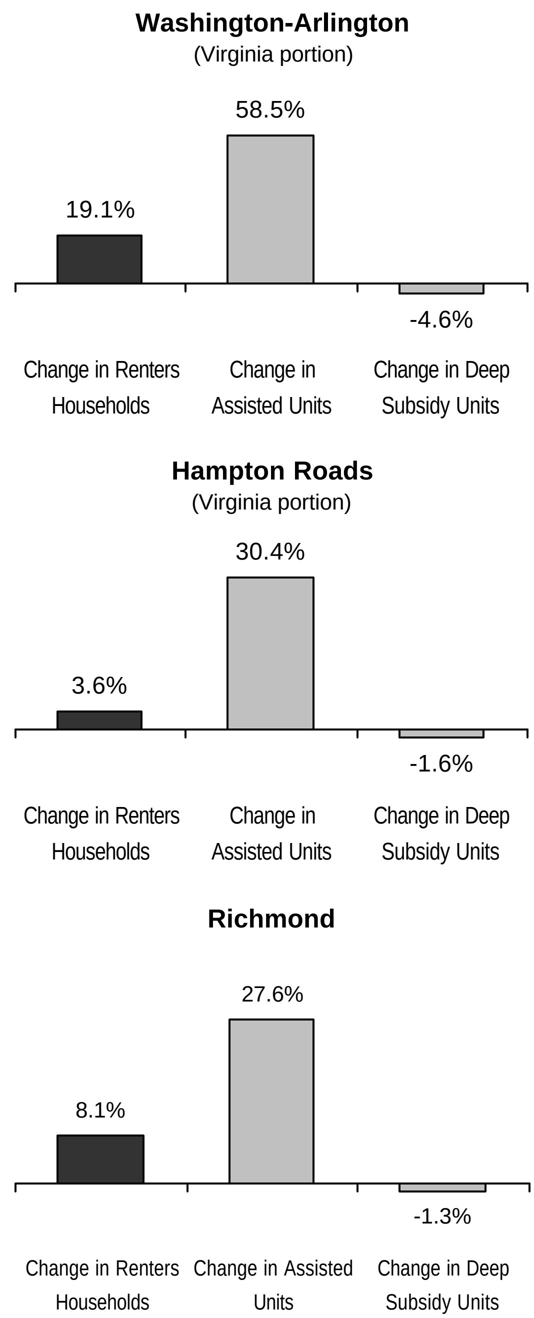
In net, during the 1990s the inventory of federal and state assisted low-income family and elderly rental housing grew by nearly 18,700 units (36 percent) from just under 51,700 units in 1990 to nearly 70,400 units in 2000. This trend is continuing with over 9,000 net additional assisted units either already on-line, under development, or with federal and state assistance approvals so far this decade (Tables 10A and 10B).[10]

The net increase in total assisted units far exceeded growth in renter households, but units with deep subsidies declined.

In all three markets, the increase in total assisted units greatly exceeded the rate of growth in renter households. However, units

[10] This inventory includes family and independent living elderly developments receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing receiving federal HOME and CDBG funds through local governments.

Change in Renter Households and Federal and State Assisted Rental Units: 1990-2000

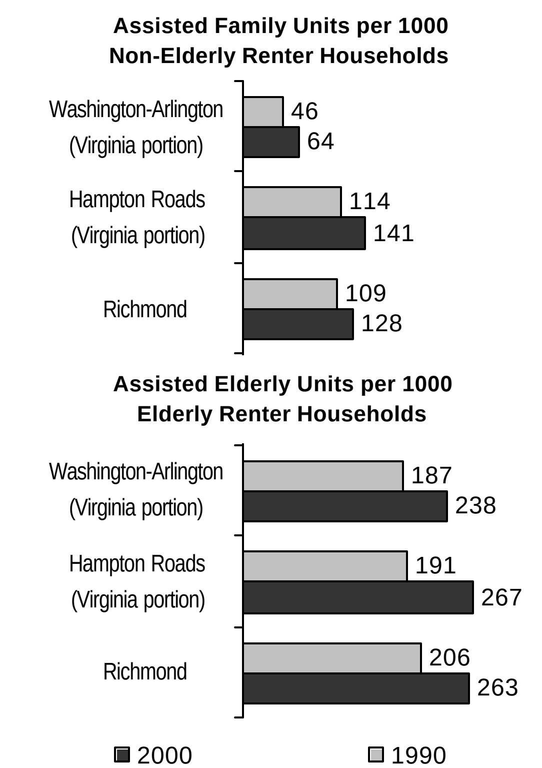


Source: Tables 3A, 10A, 10B and 10C.

Note: Elderly figures include households age 65 and older and rental units intended for elderly occupancy. Some family (non-elderly) units are occupied by elderly persons. Likewise, some elderly rental projects allow occupancy by persons as young as 55.

with project-based deep rental subsidies fell. This was due to the relatively few new units developed with deep project-based subsidies to replace units lost to pre-payment, opt-out and property disposition (Tables 10A, 10B and 10C). As a consequence, the ratio of total assisted rental units per 1000 renter households increased for both family units and elderly units in all three market areas.[11]

Ratio of Total Federal and State Assisted Rental Units per 1000 Renter Households



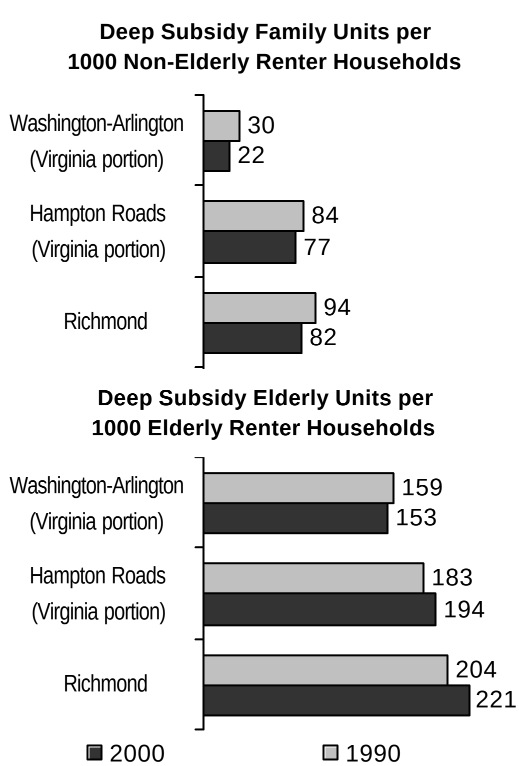
Source: Tables 10A and10B

Note: Elderly figures include households aged 65 and older and rental units intended for elderly occupancy. Low-Income Tax Credit elderly projects allow occupancy by persons as young as age 55, and deep subsidy rental projects allow occupancy by persons as young as age 62.

[11] The federal government provides deep rental/ operating subsidies for family and elderly housing through the following programs: Public Housing; project-based and tenant-based Section 8; Section 202 PRAC; rural Rental Assistance (RA); Rental Assistance Payments (RAP); and Rent Supplements.

In contrast, the relative availability of project-based deep subsidy units generally declined. The exceptions were deep subsidy elderly units in the Hampton Roads and Richmond areas where production of new units under the HUD Section 202 program and Rural Housing Service Section 515 Rental Assistance program exceeded the growth in elderly renter households.

Ratio of Federal Project-Based Deep Rental Subsidy Units per 1000 Renter Households



Source: Tables 10A and 10B

Note: Elderly figures include households aged 65 and older and rental units intended for elderly occupancy. Deep subsidy elderly rental projects allow occupancy by persons as young as age 62.

Washington-Arlington lags well behind Hampton Roads and Richmond in the availability of assisted family rental units.

Despite a very large increase in assisted family rental units during the 1990s, the Virginia portion of the Washington-Arlington area continues to lag far behind Hampton Roads and Richmond in the availability of assisted units. The ratio of total assisted family units per 1000 non-elderly renter households is more than twice as large in Hampton Roads and Richmond as it is in the Virginia portion of the Washington-Arlington market. The disparity is even greater for deep subsidy family units. The relative availability of such units is more than 3.5 times higher in Hampton Roads and Richmond than in the Virginia portion of the Washington-Arlington market.

There is also a disparity in the relative availability of assisted family and assisted elderly housing.

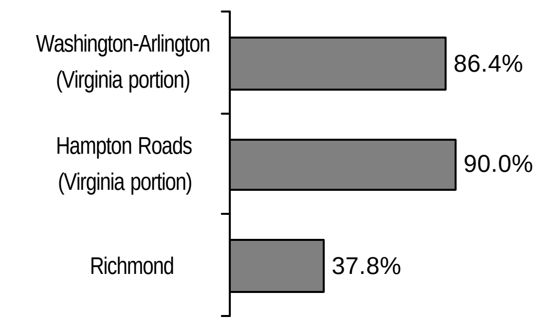
In the Hampton Roads and Richmond areas, the ratio of assisted elderly units per 1000 elderly renter households and the ratio deep subsidy elderly units per 1000 elderly renter households, are roughly double the comparable ratios for family units. In the Virginia portion of the Washington-Arlington area, the disparities are far wider. The availability of assisted elderly units in that market is nearly four times that of assisted family units, and the availability of deep subsidy elderly units is seven times that of deep subsidy family units.

Federal Tenant-Based Deep Rental Subsidies

Deep federal tenant-based rental subsidies[12] increased by over 11,000 units

[12] Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2) separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.

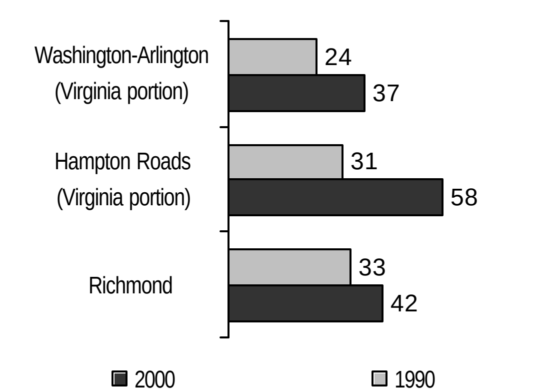
Change in Federal Tenant-Based Deep Rental Subsidy Units: 1990-2000



Source: Table 10C

(76 percent) between 1990 and 2000 in sharp contrast to the two percent decline in project-based deep rental subsidies. This reflected the federal policy shift away from long-term project-based subsidy contracts to short-term tenant-based assistance, as well as considerable conversion of project-based subsidies to tenant-based subsidies as a result of owner prepayment of assisted mortgages, opt-out of project-based subsidy contracts, and the disposition of troubled assisted rental properties (Table 10C).

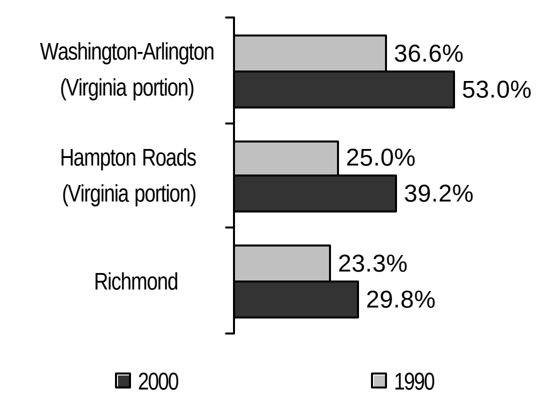
Ratio of Federal Tenant-Based Deep Rental Subsidy Units per 1000 Renter Households



Source: Table 10C

The increase in tenant-based units was less than half as large in the Richmond area as in the other two large metropolitan markets. This reflected far lower levels of participation in the Housing Choice Voucher program by jurisdictions surrounding the core localities of the Richmond area, than was true for comparable jurisdictions in the other two markets. Nevertheless, the Richmond area began the decade with a larger base of voucher units, so that in 2000 the ratio of tenant-based deep subsidy units per 1000 renter households was still higher than in the Virginia portion of the Washington-Arlington area.

Tenant-Based Units as a Share of Total Deep Subsidy Rental Units



Source: Table 10C

There has been a substantial rise in the tenant-based share of total deep subsidy rental units.

One consequence of the substantial increase in tenant-based deep subsidy units in the large metropolitan areas, has been a significant rise in the tenant-based share of total deep subsidy units. The large metropolitan markets now have the highest share of tenant-based units. This is a reversal of the pattern in 1990 when the large metropolitan areas had the smallest tenant-based share of deep subsidy units among the four groups of housing market areas.

Substantial increases in tenant-based subsidies have not reduced lengthy waiting lists for assistance.

In all three large metropolitan areas, there are lengthy multi-year waiting lists for rent subsidy assistance through the federal Housing Choice Voucher program. In recent years, increased appropriations for Housing Choice Vouchers have not reduced waiting lists for assistance. This reflects both the growing need for assistance among the lowest income populations and the reduced willingness of landlords to participate in federal deep rental subsidy programs.

The Ability to Use Tenant-Based Rental Subsidies Has Declined.

A number of factors have reduced incentives for private landlord participation in the Housing Choice Voucher Program:

- The increased buying power of many renters
- Reductions in rental vacancy rates
- Greater uncertainty regarding on-going subsidy funding

As a result, fewer landlords are accepting Housing Choice Vouchers. Particularly in the large metropolitan markets, this is making it extremely difficult for low-income households that are able to access rental subsidies to actually use them.

Total Federal Deep Rental Subsidies

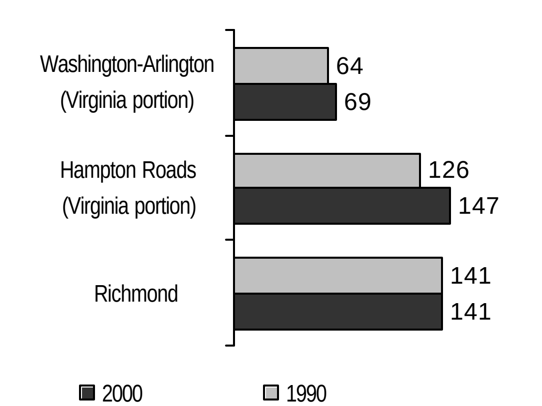
The lowest income households need deep housing subsidies.

The income of most people who depend on limited fixed benefits is so low that they cannot afford adequate housing without deep housing subsidies. The same is true for minimum wage workers for whom the gap between income and market rents is extremely large. These are the households that have not fully benefited from the considerable development of new assisted rental units through the federal Low-Income Housing Tax Credit program. Typically, their income is below 30 percent of area median—what HUD refers to as "extremely low" income. The overall availability of deep rental subsidies is the best measure of the degree to which the needs of these households are being met.

All three markets had a net gain in deep subsidy rental units.

The increase in tenant-based units exceeded losses in project-based deep subsidies. Consequently, in net, all three housing markets had a gain in deep subsidy rental units. In the Virginia portion of the Washington-Arlington area and in Hampton Roads, these gains exceeded the growth in renter households so that there was an overall increase in the ratio of total deep subsidy units per 1000 renter households. In

Ratio of Total Federal Deep Rental Subsidy Units per 1000 Renter Households



Source: Table 10C

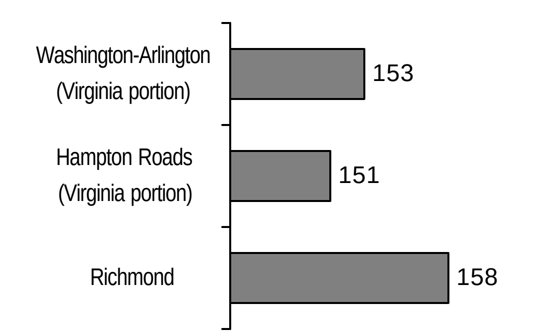
the Richmond market where the increase in tenant-based units was more modest, there was no change in the ratio of total deep subsidy units per 1000 renter households.

The Virginia portion of the Washington-Arlington area continues to have a ratio of deep subsidy rental units per 1000 renter households that is half that found in Hampton Roads and the Richmond area. However, it is difficult to draw ready conclusions from this fact. A comparison of ratios of deep subsidy units per 1000 renter households provides an overall look at the relative distribution of housing assistance between housing markets and provides a means for measuring change over time. Nevertheless, it does not account for the significant differences in rates of poverty in the three metropolitan market areas (Table 5).

If persons in poverty are the measure, then there are only small differentials in availability of deep rental subsidies.

When a comparison is made of ratios of total deep subsidy units in 2000 to the number of persons in poverty in 1997 (most recent data available), a very different picture emerges. The three large urban areas have fairly comparable ratios of deep subsidy units per 1000 persons in poverty.

Ratio of Total Federal Deep Subsidy Units in 2000 per 1000 Persons in Poverty in 1997



Source: Tables 5 and 10C

There are also wide differentials in housing costs relative to income among the three market areas.

There is a larger absolute gap between housing costs and the resources of lower income people in the Virginia portion of the Washington-Arlington area than in the Hampton Roads and Richmond areas where poverty rates are far higher. Thus, while the poverty rate in the Washington-Arlington areas is very low relative to the other market areas, a much broader band of incomes requires deep subsidy assistance in order to afford adequate housing.[13]

More data is needed in order to measure absolute levels of unmet housing need.

Available data illustrate the significant changes that have occurred in the relative level of subsidy assistance among regions but cannot answer the question of how large unmet housing needs are in one area compared to another. Measurement of absolute levels of unmet needs must await the release of more detailed data from the 2000 Census on household income and the share of income expended for housing.

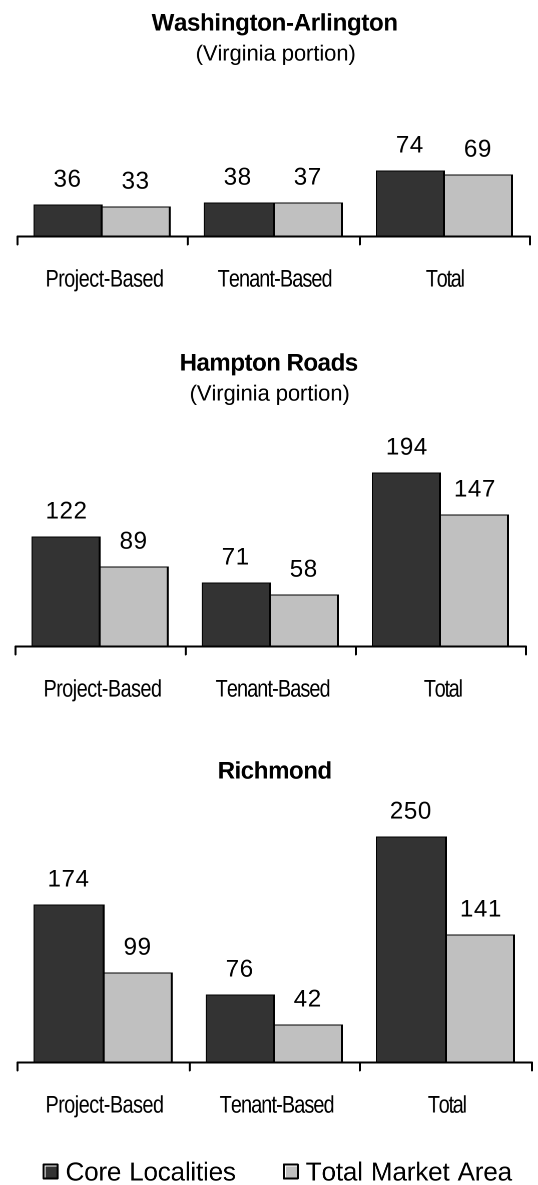
Intra-Market Distribution of Assisted Housing

The geographic distribution of deep subsidy rental units is different in the three large metropolitan areas.

In the Virginia portion of the Washington-Arlington area, project-based and tenant-based deep subsidy rental units are fairly evenly distributed inside and outside the core

[13] Poverty is measured in absolute dollar terms and does not reflect differences in cost of living in different geographic areas.

Ratio of Federal Deep Subsidy Rental Units per 1000 Renter Households

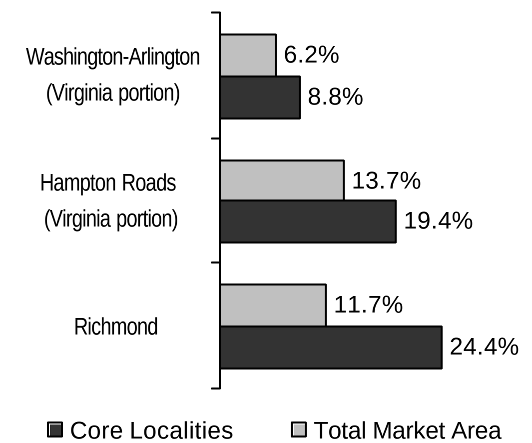


Source: Tables 3A, 10A, 10B and 10C

localities relative to the distribution of renter households. In contrast, the poverty rate is 42 percent higher in the core localities than in the overall market area.

In Hampton Roads and the Richmond area, there is a clear concentration of both project-based and tenant-based deep subsidy rental units in the core localities that roughly mirrors the concentration of poverty. The poverty rate in the core localities of Hampton Roads is 42 percent higher than in the overall market, while the poverty rate in the core localities of the Richmond area is 109 percent of the rate in the overall market.

Poverty Rate: 1997



Source: Table 5

It is difficult to determine the extent to which the concentration of deep subsidy units in core localities is a cause or effect of the concentration of poverty. In either case, the very high concentration of assisted housing with deep rental subsidies in core localities contributes to the limited choice of housing location that very low-income households face. Conversely, the relative concentration of poverty households in the core localities of the Virginia portion of the Washington-Arlington market, in the absence of a corresponding concentration of deep rental subsidies, adds to the extreme housing cost burden of very low-income households in Virginia's highest priced area.

Data Tables

Housing Stock

Estimated Distribution of Housing Units by Type

Table 1

Region	Area		Single Family Site-Built		Single Family Manufact.		Multifamily/Other		Total
			Number	Share	Number	Share	Number	Share	Units
Washington-Arlington (Virginia portion)	Overall Market	1990	417,700	67%	9,500	2%	192,900	31%	620,000
		2000	509,600	68%	8,800	1%	227,300	30%	745,700
		Change	91,900		-600		34,400		125,700
		1990-2000	22.0%		-6.6%		17.9%		20.3%
	Core Localities	1990	57,600	39%	1,200	1%	88,900	60%	147,800
		2000	61,800	38%	700	0%	96,900	61%	159,400
		Change	4,200		-500		8,000		11,600
		1990-2000	7.2%		-42.4%		9.0%		7.9%
Hampton Roads (Virginia portion)	Overall Market	1990	365,600	66%	24,100	4%	164,800	30%	554,600
		2000	417,400	68%	25,300	4%	169,300	28%	611,900
		Change	51,700		1,200		4,500		57,400
		1990-2000	14.2%		4.9%		2.7%		10.3%
	Core Localities	1990	152,100	58%	7,100	3%	105,200	40%	264,400
		2000	159,500	60%	6,800	3%	101,200	38%	267,400
		Change	7,300		-300		-4,000		3,100
		1990-2000	4.8%		-4.7%		-3.8%		1.2%
Richmond	Overall Market	1990	257,700	70%	15,200	4%	94,100	26%	367,100
		2000	308,600	73%	17,000	4%	99,200	23%	424,800
		Change	50,900		1,800		5,000		57,800
		1990-2000	19.8%		11.9%		5.3%		15.7%
	Core Localities	1990	66,500	56%	3,200	3%	50,300	42%	120,000
		2000	65,100	55%	2,800	2%	50,200	43%	118,000
		Change	-1,500		-400		-100		-2,000
		1990-2000	-2.2%		-12.7%		-0.2%		-1.6%
All Large Metropolitan Market Areas		1990	1,041,000	68%	48,800	3%	451,800	29%	1,541,700
		2000	1,235,600	69%	51,200	3%	495,800	28%	1,782,500
		Change	194,600		2,400		43,900		240,900
		1990-2000	18.7%		4.9%		9.7%		15.6%

Source: U.S. Census Bureau (total units); DMV (manufactured units); Weldon Cooper Center and local agencies (construction and demolition activitiy)

All change and share figures were calculated from unrounded estimates. Therefore, apparent errors appear due to rounding of numbers to the nearest 100.

Housing Occupancy

Household and Group Quarters Population

Table 2A			Total Population	Household Population	Group Quarters Population: Persons	Group Quarters Population: Share	Households
Washington-Arlington (Virginia portion)	Overall Market	1990	1,560,015	1,532,054	27,961	1.8%	580,684
		2000	1,921,555	1,899,061	22,494	1.2%	720,601
		Change 1990-2000	361,540 23.2%	367,007 24.0%	-5,467 -19.6%	-0.6%	139,917 24.1%
	Core Localities	1990	291,697	285,075	6,622	2.3%	135,995
		2000	328,113	321,983	6,130	1.9%	152,712
		Change 1990-2000	36,416 12.5%	36,908 12.9%	-492 -7.4%	-0.4%	16,717 12.3%
Hampton Roads (Virginia portion)	Overall Market	1990	1,435,653	1,368,653	67,000	4.7%	508,381
		2000	1,558,180	1,491,949	66,231	4.3%	573,376
		Change 1990-2000	122,527 8.5%	123,296 9.0%	-769 -1.1%	-0.4%	64,995 12.8%
	Core Localities	1990	668,974	623,215	45,759	6.8%	241,844
		2000	661,555	615,151	46,404	7.0%	247,953
		Change 1990-2000	-7,419 -1.1%	-8,064 -1.3%	645 1.4%	0.2%	6,109 2.5%
Richmond	Overall Market	1990	895,588	868,030	27,558	3.1%	342,584
		2000	1,033,562	997,707	35,855	3.5%	400,933
		Change 1990-2000	137,974 15.4%	129,677 14.9%	8,297 30.1%	0.4%	58,349 17.0%
	Core Localities	1990	264,543	250,935	13,608	5.1%	109,081
		2000	253,884	241,414	12,470	4.9%	107,403
		Change 1990-2000	-10,659 -4.0%	-9,521 -3.8%	-1,138 -8.4%	-0.2%	-1,678 -1.5%
All Large Metropolitan Market Areas		1990	3,891,256	3,768,737	122,519	3.1%	1,431,649
		2000	4,513,297	4,388,717	124,580	2.8%	1,694,910
		Change 1990-2000	622,041 16.0%	619,980 16.5%	2,061 1.7%	-0.3%	263,261 18.4%

Source: U.S. Census Bureau

Housing Occupancy

Housing Vacancies

Table 2B			Total Vacancies	Available Vacant Units				Vacant Units Not Available		
				For Sale / Vac. Rate		For Rent / Vac. Rate		Sold/Rented	Seasonal	Other
Washington-Arlington (Virginia portion)	Overall Market	1990	39,335	8,423	**2.2%**	19,006	**8.4%**	3,333	3,952	4,621
		2000	25,143	4,058	**0.8%**	6,604	**2.6%**	2,973	6,283	5,225
		Change 1990-2000	-14,192 -36.1%	-4,365 -51.8%	**-1.4%**	-12,402 -65.3%	**-5.8%**	-360 -10.8%	2,331 59.0%	604 13.1%
	Core Localities	1990	11,772	1,773	**2.9%**	6,889	**8.2%**	719	1,226	1,165
		2000	6,690	518	**0.8%**	2,228	**2.5%**	715	2,152	1,077
		Change 1990-2000	-5,082 -43.2%	-1,255 -70.8%	**-2.1%**	-4,661 -67.7%	**-5.7%**	-4 -0.6%	926 75.5%	-88 -7.6%
Hampton Roads (Virginia portion)	Overall Market	1990	46,180	10,131	**3.2%**	21,044	**9.3%**	3,636	4,439	6,930
		2000	38,566	6,817	**1.9%**	12,663	**5.6%**	3,143	5,883	10,060
		Change 1990-2000	-7,614 -16.5%	-3,314 -32.7%	**-1.4%**	-8,381 -39.8%	**-3.7%**	-493 -13.6%	1,444 32.5%	3,130 45.2%
	Core Localities	1990	22,552	3,941	**3.1%**	13,089	**9.9%**	1,732	544	3,246
		2000	19,496	3,251	**2.4%**	8,191	**6.5%**	1,590	922	5,542
		Change 1990-2000	-3,056 -13.6%	-690 -17.5%	**-0.7%**	-4,898 -37.4%	**-3.4%**	-142 -8.2%	378 69.5%	2,296 70.7%
Richmond	Overall Market	1990	24,507	4,484	**2.0%**	11,004	**8.5%**	2,545	972	5,502
		2000	23,912	3,976	**1.4%**	8,796	**6.4%**	2,117	1,725	7,298
		Change 1990-2000	-595 -2.4%	-508 -11.3%	**-0.5%**	-2,208 -20.1%	**-2.1%**	-428 -16.8%	753 77.5%	1,796 32.6%
	Core Localities	1990	10,881	1,382	**2.6%**	5,371	**8.6%**	1,147	135	2,846
		2000	10,583	1,383	**2.6%**	4,299	**7.1%**	901	290	3,710
		Change 1990-2000	-298 -2.7%	1 0.1%	**0.0%**	-1,072 -20.0%	**-1.5%**	-246 -21.4%	155 114.8%	864 30.4%
All Large Metropolitan Market Areas		1990	110,022	23,038	**2.5%**	51,054	**8.8%**	9,514	9,363	17,053
		2000	87,621	14,851	**1.3%**	28,063	**4.6%**	8,223	13,891	22,583
		Change 1990-2000	-22,401 -20.4%	-8,187 -35.5%	**-1.2%**	-22,991 -45.0%	**-4.2%**	-1,281 -13.5%	4,528 48.4%	5,530 32.4%

Source: U.S. Census Bureau

Housing Tenure

Owner and Renter Occupancy

Table 3A			Occupied Units	Owner-Occupied Number	Owner-Occupied Share	Renter-Occupied Number	Renter-Occupied Share
Washington-Arlington (Virginia portion)	Overall Market	1990	580,684	374,565	64.5%	206,119	35.5%
		2000	720,601	475,196	65.9%	245,405	34.1%
		Change 1990-2000	139,917 24.1%	100,631 26.9%	1.4%	39,286 19.1%	-1.4%
	Core Localities	1990	135,995	59,042	43.4%	76,953	56.6%
		2000	152,712	64,823	42.4%	87,889	57.6%
		Change 1990-2000	16,717 12.3%	5,781 9.8%	-1.0%	10,936 14.2%	1.0%
Hampton Roads (Virginia portion)	Overall Market	1990	508,381	302,570	59.5%	205,811	40.5%
		2000	573,376	360,221	62.8%	213,155	37.2%
		Change 1990-2000	64,995 12.8%	57,651 19.1%	3.3%	7,344 3.6%	-3.3%
	Core Localities	1990	241,844	122,453	50.6%	119,391	49.4%
		2000	247,953	129,677	52.3%	118,276	47.7%
		Change 1990-2000	6,109 2.5%	7,224 5.9%	1.7%	-1,115 -0.9%	-1.7%
Richmond	Overall Market	1990	342,584	224,010	65.4%	118,574	34.6%
		2000	400,933	272,761	68.0%	128,172	32.0%
		Change 1990-2000	58,349 17.0%	48,751 21.8%	2.6%	9,598 8.1%	-2.6%
	Core Localities	1990	109,081	52,138	47.8%	56,943	52.2%
		2000	107,403	51,182	47.7%	56,221	52.3%
		Change 1990-2000	-1,678 -1.5%	-956 -1.8%	-0.1%	-722 -1.3%	0.1%
All Large Metropolitan Market Areas		1990	1,431,649	901,145	62.9%	530,504	37.1%
		2000	1,694,910	1,108,178	65.4%	586,732	34.6%
		Change 1990-2000	263,261 18.4%	207,033 23.0%	2.5%	56,228 10.6%	-2.5%

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder

Table 3B			Working Age Households				Elderly Households	
			Under Age 25	Age 25-34	Age 35-44	Age 45-64	Age 65-74	Age 75+
Washington-Arlington (Virginia portion)	Overall Market	1990	14.5%	47.0%	69.0%	79.6%	78.2%	66.3%
		2000	13.5%	42.5%	67.2%	80.0%	82.5%	72.4%
		Change 1990-2000	-1.0%	-4.5%	-1.8%	0.4%	4.3%	6.1%
	Core Localities	1990	5.0%	24.6%	48.3%	59.1%	63.7%	60.1%
		2000	4.6%	20.4%	42.3%	61.2%	66.0%	64.4%
		Change 1990-2000	-0.4%	-4.2%	-6.0%	2.1%	2.3%	4.3%
Hampton Roads (Virginia portion)	Overall Market	1990	12.3%	42.5%	64.0%	77.5%	77.5%	69.1%
		2000	12.3%	41.3%	63.7%	76.3%	81.1%	75.3%
		Change 1990-2000	0.0%	-1.2%	-0.3%	-1.2%	3.6%	6.2%
	Core Localities	1990	8.3%	32.2%	52.6%	69.5%	72.4%	66.2%
		2000	8.3%	30.1%	51.7%	65.9%	74.7%	73.8%
		Change 1990-2000	0.0%	-2.1%	-0.9%	-3.6%	2.3%	7.6%
Richmond	Overall Market	1990	14.0%	47.0%	70.3%	79.3%	78.7%	70.4%
		2000	13.9%	46.9%	69.5%	80.1%	82.3%	75.0%
		Change 1990-2000	-0.1%	-0.1%	-0.8%	0.8%	3.6%	4.6%
	Core Localities	1990	6.1%	25.5%	48.9%	63.0%	67.1%	62.1%
		2000	6.3%	26.1%	45.4%	61.1%	68.7%	66.3%
		Change 1990-2000	0.2%	0.6%	-3.5%	-1.9%	1.6%	4.2%
All Large Metropolitan Market Areas		1990	13.4%	45.3%	67.7%	78.8%	78.1%	68.7%
		2000	13.1%	43.1%	66.6%	78.9%	81.9%	74.3%
		Change 1990-2000	-0.3%	-2.2%	-1.1%	0.1%	3.8%	5.6%

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder and Family Status

Table 3C			Householder Under 35		Householder 35-64		Householder 65+	
			Family HHs	Other HHs	Family HHs	Other HHs	Family HHs	Other HHs
Washington-Arlington (Virginia portion)	Overall Market	1990	51.4%	30.0%	80.4%	59.5%	86.8%	58.4%
		2000	49.6%	23.0%	79.7%	60.4%	88.1%	65.1%
		Change 1990-2000	-1.8%	-7.0%	-0.7%	0.9%	1.3%	6.7%
	Core Localities	1990	26.1%	17.9%	63.0%	45.3%	79.8%	46.4%
		2000	26.1%	12.6%	59.6%	45.9%	79.6%	54.0%
		Change 1990-2000	0.0%	-5.3%	-3.4%	0.6%	-0.2%	7.6%
Hampton Roads (Virginia portion)	Overall Market	1990	40.7%	25.0%	76.7%	53.0%	86.1%	60.7%
		2000	39.9%	21.5%	76.4%	53.7%	88.6%	65.7%
		Change 1990-2000	-0.8%	-3.5%	-0.3%	0.7%	2.5%	5.0%
	Core Localities	1990	29.7%	18.6%	68.5%	44.0%	83.7%	56.2%
		2000	28.0%	15.0%	66.6%	44.3%	85.8%	61.8%
		Change 1990-2000	-1.7%	-3.6%	-1.9%	0.3%	2.1%	5.6%
Richmond	Overall Market	1990	50.7%	24.7%	81.9%	56.7%	87.3%	61.8%
		2000	50.1%	23.4%	81.8%	58.8%	89.1%	66.9%
		Change 1990-2000	-0.6%	-1.3%	0.1%	2.1%	1.8%	5.1%
	Core Localities	1990	26.2%	15.3%	67.0%	43.7%	81.5%	50.9%
		2000	26.7%	13.9%	61.7%	44.2%	82.8%	54.3%
		Change 1990-2000	0.5%	-1.4%	-5.3%	0.5%	1.3%	3.4%
All Large Metropolitan Market Areas		1990	46.7%	27.3%	79.5%	57.0%	86.7%	60.4%
		2000	46.0%	22.7%	79.1%	57.9%	88.6%	65.9%
		Change 1990-2000	-0.7%	-4.6%	-0.4%	0.9%	1.9%	5.5%

Source: U.S. Census Bureau

Family HHs. Family households are two or more related persons living together in the same housing unit.
Other HHs. All other types of households.

Housing Tenure

Homeownership Rate by Race and Ethnicity of Householder

Table 3D

			White Non-Hispanic	All Minorities	Racial Minorities: Black	Racial Minorities: Asian	Hispanic/ Latino
Washington-Arlington (Virginia portion)	Overall Market	1990	69.1%	43.5%	36.9%	na	37.8%
		2000	72.4%	48.7%	45.3%	57.2%	45.1%
		Change 1990-2000	3.3%	5.2%	8.4%	na	7.3%
	Core Localities	1990	50.0%	22.6%	22.0%	na	19.0%
		2000	51.8%	22.9%	22.6%	24.4%	22.4%
		Change 1990-2000	1.8%	0.3%	0.6%	na	3.4%
Hampton Roads (Virginia portion)	Overall Market	1990	66.0%	44.4%	43.3%	na	43.3%
		2000	71.7%	46.8%	45.5%	65.4%	43.9%
		Change 1990-2000	5.7%	2.4%	2.2%	na	0.6%
	Core Localities	1990	59.3%	37.4%	37.1%	na	32.7%
		2000	64.3%	39.0%	38.6%	51.7%	33.9%
		Change 1990-2000	5.0%	1.6%	1.5%	na	1.2%
Richmond	Overall Market	1990	71.6%	50.3%	50.0%	na	47.1%
		2000	75.9%	51.9%	52.3%	54.5%	39.6%
		Change 1990-2000	4.3%	1.6%	2.3%	na	-7.5%
	Core Localities	1990	56.0%	39.8%	40.0%	na	35.1%
		2000	57.9%	39.7%	40.7%	26.4%	22.1%
		Change 1990-2000	1.9%	-0.1%	0.7%	na	-13.0%
All Large Metropolitan Market Areas		1990	68.6%	45.8%	44.4%	na	39.8%
		2000	73.0%	48.8%	47.6%	58.3%	44.4%
		Change 1990-2000	4.4%	3.0%	3.2%	na	4.6%

Source: U.S. Census Bureau

Housing Demand Factors

Jobs and Income

Table 4			Total Area Jobs	Per Capita Income (1999$)		Civilian Labor Force	Unemployment Rate
Washington-Arlington (Virginia portion)	Overall Market	**1990**	1,065,849	$36,763	**1990**	924,762	2.1%
		1999	1,308,487	$42,812	**2000**	1,093,263	1.2%
		Change 1990-1999	242,638 22.8%	$6,049 16.5%	**Change 1990-2000**	168,501 18.2%	-0.9%
	Core Localities	**1990**	305,948	$40,520	**1990**	187,954	2.2%
		1999	310,639	$49,914	**2000**	195,180	1.3%
		Change 1990-1999	4,691 1.5%	$9,394 23.2%	**Change 1990-2000**	7,226 3.8%	-0.9%
Hampton Roads (Virginia portion)	Overall Market	**1990**	862,889	$23,195	**1990**	673,307	4.6%
		1999	944,675	$24,973	**2000**	736,546	2.6%
		Change 1990-1999	81,786 9.5%	$1,778 7.7%	**Change 1990-2000**	63,239 9.4%	-1.9%
	Core Localities	**1990**	505,388	$20,819	**1990**	290,341	5.2%
		1999	478,734	$22,085	**2000**	278,615	3.5%
		Change 1990-1999	-26,654 -5.3%	$1,266 6.1%	**Change 1990-2000**	-11,726 -4.0%	-1.7%
Richmond	Overall Market	**1990**	584,957	$27,582	**1990**	485,045	3.9%
		1999	673,746	$30,359	**2000**	537,769	1.9%
		Change 1990-1999	88,789 15.2%	$2,777 10.1%	**Change 1990-2000**	52,724 10.9%	-2.0%
	Core Localities	**1990**	221,241	$29,366	**1990**	133,384	5.8%
		1999	196,247	$30,900	**2000**	121,690	3.0%
		Change 1990-1999	-24,994 -11.3%	$1,534 5.2%	**Change 1990-2000**	-11,694 -8.8%	-2.8%
All Large Metropolitan Market Areas		**1990**	2,513,695	$29,644	**1990**	2,083,114	3.3%
		1999	2,926,908	$33,692	**2000**	2,367,578	1.8%
		Change 1990-1999	413,213 16.4%	$4,048 13.7%	**Change 1990-2000**	284,464 13.7%	-1.5%

Source: Bureau of Economic Analysis (jobs and per capita income); VEC (labor force and unemployment); U.S. Census Bureau (civilian population)

Note: **Area Jobs** and **Per Capita Income** figures for the Core Localities of the Washington-Arlington market include only Arlington County and Alexandria because separate figures for Falls Church are not available. Likewise, the **Area Jobs** and **Per Capita Income** figures for the Core Localities of the Richmond market area include only Richmond because separate figures for Petersburg and Hopewell are not available.

Housing Demand Factors

Incidence of Poverty

Table 5		Persons in Poverty			Poverty Rate		
		1989	1993	1997	1989	1993	1997
Washington-Arlington (Virginia portion)	Overall Market	65,934	111,451	111,640	4.3%	6.6%	6.2%
		Change 1989-93: 45,517 (69.0%)		Change 1993-97: 189 (0.2%)	Change 1989-93: 2.3%		Change 1993-97: -0.4%
	Core Localities	20,120	27,447	26,301	7.0%	9.2%	8.8%
		Change 1989-93: 7,327 (36.4%)		Change 1993-97: -1,146 (-4.2%)	Change 1989-93: 2.2%		Change 1993-97: -0.4%
Hampton Roads (Virginia portion)	Overall Market	156,398	211,747	208,014	11.5%	14.2%	13.7%
		Change 1989-93: 55,349 (35.4%)		Change 1993-97: -3,733 (-1.8%)	Change 1989-93: 2.7%		Change 1993-97: -0.5%
	Core Localities	98,864	127,302	119,905	15.9%	19.8%	19.4%
		Change 1989-93: 28,438 (28.8%)		Change 1993-97: -7,397 (-5.8%)	Change 1989-93: 3.9%		Change 1993-97: -0.4%
Richmond	Overall Market	85,674	114,463	114,206	9.8%	12.2%	11.7%
		Change 1989-93: 28,789 (33.6%)		Change 1993-97: -257 (-0.2%)	Change 1989-93: 2.4%		Change 1993-97: -0.5%
	Core Localities	50,726	61,591	59,056	20.2%	24.5%	24.4%
		Change 1989-93: 10,865 (21.4%)		Change 1993-97: -2,535 (-4.1%)	Change 1989-93: 4.3%		Change 1993-97: -0.1%
All Large Metropolitan Market Areas		308,006	437,661	433,860	8.2%	10.6%	10.1%
		Change 1989-93: 129,655 (42.1%)		Change 1993-97: -3,801 (-0.9%)	Change 1989-93: 2.4%		Change 1993-97: -0.5%

Source: U.S. Census Bureau

Housing Demand Factors

Changing Age Profile of Working-Age Adult Population

Table 6A			Young Adult Population				Middle-Age Pop.
			Age 20-24	Age25-34	Age 35-44	Total	Age 45-64
Washington-Arlington (Virginia portion)	Overall Market	Change 1990-2000	-6,798 -5.7%	1,577 0.5%	64,471 22.0%	**59,250 8.0%**	**151,228 50.7%**
		Change 2000-2010	24,303 22.3%	15,178 5.5%	-14,262 -3.8%	**25,219 3.3%**	**144,331 32.3%**
	Core Localities	Change 1990-2000	-430 -1.6%	4,278 5.5%	3,751 7.0%	**7,599 4.8%**	**19,589 38.1%**
		Change 2000-2010	3,498 13.5%	-582 -0.8%	-6,916 -11.6%	**-4,000 -2.5%**	**13,189 22.1%**
Hampton Roads (Virginia portion)	Overall Market	Change 1990-2000	-17,548 -12.3%	-60,212 -20.8%	56,036 26.8%	**-21,724 -3.4%**	**83,554 35.6%**
		Change 2000-2010	17,446 16.7%	9,589 3.8%	-15,222 -5.6%	**11,813 1.9%**	**90,869 29.6%**
	Core Localities	Change 1990-2000	-11,556 -14.5%	-33,784 -25.1%	17,684 20.5%	**-27,656 -9.2%**	**20,046 19.3%**
		Change 2000-2010	3,203 6.2%	-7,371 -7.3%	-16,044 -16.0%	**-20,212 -8.0%**	**20,868 17.1%**
Richmond	Overall Market	Change 1990-2000	-2,055 -3.1%	-16,552 -10.0%	27,233 18.2%	**8,626 2.3%**	**70,837 42.1%**
		Change 2000-2010	10,981 19.0%	5,638 4.0%	-10,208 -5.8%	**6,411 1.7%**	**73,494 29.8%**
	Core Localities	Change 1990-2000	-2,509 -10.2%	-9,617 -19.2%	297 0.8%	**-11,829 -10.5%**	**5,565 11.9%**
		Change 2000-2010	499 3.0%	-3,539 -10.0%	-7,364 -19.6%	**-10,404 -11.6%**	**6,274 11.9%**
All Large Metropolitan Market Areas		Change 1990-2000	-26,401 -8.0%	-75,187 -9.6%	147,740 22.7%	**46,152 2.6%**	**305,619 43.6%**
		Change 2000-2010	52,640 19.5%	30,405 4.5%	-39,692 -4.9%	**43,353 2.5%**	**308,694 30.9%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors

Changing Age Profile of Elderly Population

Table 6B			Elderly Population: Age 65-74	Age 75-84	Age 85+	Total
Washington-Arlington (Virginia portion)	Overall Market	Change 1990-2000	12,223 17.3%	18,954 61.2%	6,085 65.3%	**37,262** **33.6%**
		Change 2000-2010	23,801 26.8%	5,855 10.4%	6,722 38.5%	**36,378** **22.4%**
	Core Localities	Change 1990-2000	-3,900 -21.1%	996 9.4%	1,337 43.2%	**-1,567** **-4.9%**
		Change 2000-2010	3,633 17.7%	460 3.6%	1,249 29.6%	**5,342** **14.3%**
Hampton Roads (Virginia portion)	Overall Market	Change 1990-2000	4,789 5.7%	18,495 49.6%	5,955 57.6%	**29,239** **22.3%**
		Change 2000-2010	19,839 22.9%	4,073 7.0%	5,964 34.6%	**29,876** **18.4%**
	Core Localities	Change 1990-2000	-6,114 -13.8%	6,425 31.3%	2,231 41.3%	**2,542** **3.6%**
		Change 2000-2010	4,140 10.3%	-679 -2.3%	1,859 22.8%	**5,320** **6.9%**
Richmond	Overall Market	Change 1990-2000	1,313 2.1%	9,489 30.1%	4,470 50.2%	**15,272** **15.0%**
		Change 2000-2010	15,076 23.2%	2,196 5.1%	4,226 31.4%	**21,498** **17.6%**
	Core Localities	Change 1990-2000	-5,055 -22.6%	-742 -5.5%	619 15.7%	**-5,178** **-13.0%**
		Change 2000-2010	1,326 6.6%	-1,042 -6.2%	939 17.5%	**1,223** **2.9%**
All Large Metropolitan Market Areas		Change 1990-2000	18,235 8.5%	46,938 47.0%	16,510 57.8%	**81,683** **23.8%**
		Change 2000-2010	58,716 24.4%	12,124 7.7%	16,912 35.1%	**87,752** **19.7%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors

Household Composition

Table 7			Households with Persons <18			Households without Persons <18			All Households	
			Married	Other	Total	1-Person	2+ Persons	Total	Total	Avg. Size
Washington-Arlington (Virginia portion)	Overall Market	1990	169,264	39,909	**209,173**	133,069	238,442	**371,511**	**580,684**	2.64
		2000	198,813	64,145	**262,958**	179,252	278,391	**457,643**	**720,601**	2.64
		Change 1990-2000	29,549 17.5%	24,236 60.7%	**53,785** **25.7%**	46,183 34.7%	39,949 16.8%	**86,132** **23.2%**	**139,917** **24.1%**	0.00
	Core Localities	1990	18,584	8,114	**26,698**	54,597	54,700	**109,297**	**135,995**	2.10
		2000	21,519	10,602	**32,121**	63,617	56,974	**120,591**	**152,712**	2.11
		Change 1990-2000	2,935 15.8%	2,488 30.7%	**5,423** **20.3%**	9,020 16.5%	2,274 4.2%	**11,294** **10.3%**	**16,717** **12.3%**	0.01
Hampton Roads (Virginia portion)	Overall Market	1990	150,439	57,813	**208,252**	107,397	192,732	**300,129**	**508,381**	2.69
		2000	138,265	88,476	**226,741**	134,238	212,397	**346,635**	**573,376**	2.60
		Change 1990-2000	-12,174 -8.1%	30,663 53.0%	**18,489** **8.9%**	26,841 25.0%	19,665 10.2%	**46,506** **15.5%**	**64,995** **12.8%**	-0.09
	Core Localities	1990	59,172	32,505	**91,677**	60,384	89,783	**150,167**	**241,844**	2.58
		2000	46,169	45,141	**91,310**	69,634	87,009	**156,643**	**247,953**	2.48
		Change 1990-2000	-13,003 -22.0%	12,636 38.9%	**-367** **-0.4%**	9,250 15.3%	-2,774 -3.1%	**6,476** **4.3%**	**6,109** **2.5%**	-0.10
Richmond	Overall Market	1990	82,271	37,073	**124,344**	85,479	132,761	**218,240**	**342,584**	2.53
		2000	90,338	55,596	**145,934**	105,179	148,820	**254,999**	**400,933**	2.49
		Change 1990-2000	3,067 3.5%	18,523 50.0%	**21,590** **17.4%**	19,700 23.0%	17,059 12.8%	**35,759** **16.8%**	**58,349** **17.0%**	-0.04
	Core Localities	1990	14,638	16,831	**31,469**	37,309	40,303	**77,612**	**109,081**	2.30
		2000	10,934	20,496	**31,430**	38,762	37,211	**75,973**	**107,403**	2.25
		Change 1990-2000	-3,704 -25.3%	3,665 21.8%	**-39** **-0.1%**	1,453 3.9%	-3,092 -7.7%	**-1,639** **-2.1%**	**-1,678** **-1.5%**	-0.05
All Large Metropolitan Market Areas		1990	406,974	134,795	**541,769**	325,945	563,935	**889,880**	**1,431,649**	2.63
		2000	427,416	208,217	**635,633**	418,669	640,608	**1,059,277**	**1,694,910**	2.59
		Change 1990-2000	20,442 5.0%	73,422 54.5%	**93,864** **17.3%**	92,724 28.4%	76,673 13.6%	**169,397** **19.0%**	**263,261** **18.4%**	-0.04

Source: U.S. Census Bureau

Housing Demand Factors

Population by Reported Race and Ethnicity

Table 8			Non-Hispanic Whites	All Minorities	Racial Minorities: Blacks	Asians	Other Races	Mixed Races	Hispanics/ Latinos
Washington-Arlington (Virginia portion)	Overall Market	1990 Pop.	1,210,122	349,893	149,792	96,300	45,040	na	102,236
		% of Pop.	77.6%	22.4%	9.6%	6.2%	2.9%	na	6.6%
		2000 Pop.	1,272,057	649,498	208,808	174,835	98,164	67,229	211,087
		% of Pop.	66.2%	33.8%	10.9%	9.1%	5.1%	3.5%	11.0%
	Core Localities	1990 Pop.	198,403	93,294	42,577	16,375	16,550	na	34,471
		% of Pop.	68.0%	32.0%	14.6%	5.6%	5.7%	na	11.8%
		2000 Pop.	191,633	136,480	46,969	24,251	26,818	13,964	55,026
		% of Pop.	58.4%	41.6%	14.3%	7.4%	8.2%	4.3%	16.8%
Hampton Roads (Virginia portion)	Overall Market	1990 Pop.	957,877	477,776	410,604	34,083	16,969	na	32,569
		% of Pop.	66.7%	33.3%	28.6%	2.4%	1.2%	na	2.3%
		2000 Pop.	946,287	611,893	487,574	42,919	25,893	34,557	48,753
		% of Pop.	60.7%	39.3%	31.3%	2.8%	1.7%	2.2%	3.1%
	Core Localities	1990 Pop.	379,048	289,926	260,250	13,268	9,449	na	16,321
		% of Pop.	56.7%	43.3%	38.9%	2.0%	1.4%	na	2.4%
		2000 Pop.	320,211	341,344	290,102	14,257	12,856	15,947	22,411
		% of Pop.	48.4%	51.6%	43.9%	2.2%	1.9%	2.4%	3.4%
Richmond	Overall Market	1990 Pop.	608,104	287,484	264,427	11,690	6,220	na	9,461
		% of Pop.	67.9%	32.1%	29.5%	1.3%	0.7%	na	1.1%
		2000 Pop.	659,998	373,564	314,423	20,573	15,451	13,653	23,596
		% of Pop.	63.9%	36.1%	30.4%	2.0%	1.5%	1.3%	2.3%
	Core Localities	1990 Pop.	113,729	150,814	145,720	2,324	1,590	na	2,787
		% of Pop.	43.0%	57.0%	55.1%	0.9%	0.6%	na	1.1%
		2000 Pop.	94,292	159,592	147,235	2,887	4,228	3,617	6,188
		% of Pop.	37.1%	62.9%	58.0%	1.1%	1.7%	1.4%	2.4%
All Large Metropolitan Market Areas		1990 Pop.	2,776,103	1,115,153	824,823	142,073	68,229	na	144,266
		% of Pop.	71.3%	28.7%	21.2%	3.7%	1.8%	na	3.7%
		2000 Pop.	2,878,342	1,634,955	1,010,805	238,327	139,508	115,439	283,436
		% of Pop.	63.8%	36.2%	22.4%	5.3%	3.1%	2.6%	6.3%

Source: U.S. Census Bureau
Note: Data for 1990 and 2000 are not directly comparable because in 1990 persons of mixed race were counted in other racial categories.

Housing Affordability

Minimum Income Needed to Afford Housing at the Fair Market Rent (FMR)

Table 9A		1-Per. HH / 1 Bedrm. Unit			3-Per. HH / 2 Bedrm. Unit			5-Per. HH / 3 Bedrm. Unit		
		FMR	Min. Income	% AMI	FMR	Min. Income	% AMI	FMR	Min. Income	% AMI
Washington-Arlington (Virginia portion)	**1997**	$861	$34,444	58%	$1,012	$40,500	53%	$1,378	$55,126	60%
	2001	$872	$34,889	54%	$1,025	$40,981	50%	$1,396	$55,833	56%
	Change 1997-2001	$11 1.3%	$445 1.3%	-4%	$13 1.3%	$481 1.2%	-3%	$18 1.3%	$707 1.3%	-4%
Hampton Roads (Virginia portion)	**1997**	$520	$20,790	61%	$616	$24,646	57%	$859	$34,351	66%
	2001	$535	$21,381	60%	$631	$25,257	55%	$881	$35,246	64%
	Change 1997-2001	$15 2.9%	$591 2.8%	-1%	$15 2.4%	$611 2.5%	-2%	$22 2.6%	$895 2.6%	-2%
Richmond	**1997**	$566	$22,650	58%	$659	$26,350	53%	$916	$36,637	61%
	2001	$572	$22,866	53%	$666	$26,635	48%	$925	$37,013	56%
	Change 1997-2001	$6 1.1%	$216 1.0%	-5%	$7 1.1%	$285 1.1%	-5%	$9 1.0%	$376 1.0%	-5%
All Large Metropolitan Market Areas	**1997**	$673	$26,907	59%	$791	$31,649	54%	$1,088	$43,540	62%
	2001	$684	$27,355	56%	$803	$32,135	51%	$1,106	$44,243	58%
	Change 1997-2001	$11 1.6%	$448 1.7%	-3%	$12 1.5%	$486 1.5%	-3%	$18 1.7%	$703 1.6%	-4%

Source: HUD (Fair Market Rents and area median income estimates adjusted for household size)

Note: All figures have been adjusted for inflation and are shown in constant 2001 dollars.

Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.

Min. Income. This is the minimum income needed to afford a unit renting for the FMR based on HUD's standard that households should pay no more than 30% of gross income for rent.

% AMI. This is the necessary minimum income as a share of the Area Median Income as determined by HUD and adjusted for household size.

Housing Affordability

Rent Burden for Lowest Income Populations

Table 9B		1-Bedrm. FMR	Minimum Wage Workers Income / Rent Burden		Single SSI Recipients Income / Rent Burden		Age 65+ Living on OASDI Income / Rent Burden	
Washington-Arlington (Virginia portion)	**1997**	$861	$10,957	94%	$6,441	160%	$9,741	106%
	2001	$872	$10,712	98%	$6,372	164%	na	na
	Change 1997-2001	$11 1.3%	-$245 -2.2%	4%	-$69 -1.1%	4%		
Hampton Roads (Virginia portion)	**1997**	$520	$10,957	57%	$6,441	97%	$9,222	68%
	2001	$535	$10,712	60%	$6,372	101%	na	na
	Change 1997-2001	$15 2.9%	-$245 -2.2%	3%	-$69 -1.1%	4%		
Richmond	**1997**	$566	$10,957	62%	$6,441	105%	$10,141	67%
	2001	$572	$10,712	64%	$6,372	108%	na	na
	Change 1997-2001	$6 1.1%	-$245 -2.2%	2%	-$69 -1.1%	3%		
All Large Metropolitan Market Areas	**1997**	$673	$10,957	74%	$6,441	125%	$9,662	84%
	2001	$684	$10,712	77%	$6,372	129%	na	na
	Change 1997-2001	$11 1.6%	-$245 -2.2%	3%	-$69 -1.1%	4%		

Source: HUD (Fair Market Rents); Dept. of Labor (minimum wage rates); Social Security Administration (SSI and OASDI benefit payments)

Note: All figures are adjusted for inflation and shown in constant 2001dollars.

1-Bedroom Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas for a one-bedroom unit as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.

Minimum Wage Workers. Income is the annual minimum wage for a full-time worker.

Single SSI recipients. Income is the maximum Supplemental Security Income (SSI) benefit for a single person.

Age 65+ living on OASDI. Income is the average Social Security benefit being paid to persons age 65+ in Virginia as of December 31, 1997. This is indicative of the income of persons relying solely on OASDI benefits for income. Data for 2001 are not available but should compare closely with 1997 because OASDI benefits are fulled indexed for inflation.

Housing Affordability

Changes in Single Family Home Prices Relative to Incomes

Table 9C		Change in HUD Area Median Income	Change in OFHEO House Price Index: Actual	Change in OFHEO House Price Index: Inflation Adjusted
Washington MSA	1993-1997	16.0%	0.2%	-10.1%
	1997-2001	21.8%	25.7%	14.1%
	Total 1993-2001	41.3%	25.9%	2.6%
Norfolk-Virginia Beach-Newport News MSA	1993-1997	12.1%	9.2%	-2.0%
	1997-2001	17.0%	18.2%	7.3%
	Total 1993-2001	31.1%	29.1%	5.2%
Richmond-Petersburg MSA	1993-1997	12.5%	8.5%	-2.6%
	1997-2001	22.4%	22.8%	11.5%
	Total 1993-2001	37.6%	33.3%	8.6%

Source: HUD and Office of Federal Housing Enterprise Oversight (OFHEO)

Note: Published OFHEO data cannot be reaggregated to conform to the market areas used in this report. In most cases, there is a close fit between MSAs and the metropolitan markets for which data is presented in other tables. An exception is the Washington MSA which includes both the Washington-Arlington and the Fredericksburg market areas as well as the District of Columbia and parts of Maryland and West Virginia. However, the home price and income trends in the Washington MSA are believed to generally reflect trends in the Washington-Arlington market area.

Federal and State Rental Housing Assistance

Low-Income Family Units

Table 10A			Total Low-Income Family Units	Units per 1000 Non-Eld. Renter HHs	Family Units with Deep Subsidies	Units per 1000 Non-Eld. Renter HHs
Washington-Arlington (Virginia portion)	Overall Market	1990	8,768	46	5,597	30
		2000	14,454	64	5,004	22
		Chg. 90-00	5,686 (64.8%)	18 (39.1%)	-593 (-10.6%)	-8 (-22.7%)
		Since 1/00*	3,575 net units on-line or approved		-260 net units on-line or approved	
	Core Localities	1990	2,297	33	1,789	26
		2000	4,803	59	1,574	19
		Chg. 90-00	2,506 (109.1%)	26 (78.8%)	-215 (-12.0%)	-7 (-26.9%)
		Since 1/00*	290 net units on-line or approved		-100 net units on-line or approved	
Hampton Roads (Virginia portion)	Overall Market	1990	21,094	114	15,482	84
		2000	26,928	141	14,800	77
		Chg. 90-00	5,834 (27.7%)	27 (23.7%)	-682 (-4.4%)	-7 (-8.3%)
		Since 1/00*	902 net units on-line or approved		-2,227 net units on-line or approved	
	Core Localities	1990	15,613	148	12,247	116
		2000	19,315	183	11,270	107
		Chg. 90-00	3,702 (23.7%)	35 (23.6%)	-977 (-8.0%)	-9 (-7.8%)
		Since 1/00*	370 net units on-line or approved		-1,810 net units on-line or approved	
Richmond	Overall Market	1990	11,194	109	9,613	94
		2000	14,394	128	9,249	82
		Chg. 90-00	3,200 (28.6%)	19 (17.4%)	-364 (-3.8%)	-12 (-12.8%)
		Since 1/00*	1,431 net units on-line or approved		-700 net units on-line or approved	
	Core Localities	1990	7,745	163	6,899	145
		2000	9,644	198	6,845	141
		Chg. 90-00	1,899 (24.5%)	35 (21.5%)	-54 (-0.8%)	-4 (-2.8%)
		Since 1/00*	135 net units on-line or approved		-440 net units on-line or approved	
All Large Metropolitan Market Areas		1990	41,056	86	30,692	65
		2000	55,776	105	29,053	55
		Chg. 90-00	14,720 (35.9%)	19 (22.1%)	-1,639 (-5.3%)	-10 (-15.4%)
		Since 1/00*	5,908 net units on-line or approved		-3,187 net units on-line or approved	

Source: HUD, USDA (Rural Housing), PHAs, and VHDA (assisted units); U.S. Census Bureau (non-elderly renter households)

*Units placed in service or receiving federal or state funding approval since January 2000

Total Low-Income Family Units. This inventory includes family developments (i.e., developments without age restrictions intended for family occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.

Family Units with Deep Subsidies. This inventory includes family developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Non-Elderly Renter Households. These are renter households with a householder under the age of 65.

Federal and State Rental Housing Assistance

Low-Income Elderly Independent Living Units

Table 10B			Total Low-Income Elderly Units	Units per 1000 Elderly Renter HHs	Elderly Units with Deep Subsidies	Units per 1000 Elderly Renter HHs
Washington-Arlington (Virginia portion)	Overall Market	1990	3,286	187	2,791	159
		2000	4,648	238	3,000	153
		Chg. 90-00	1,362 (41.4%)	51 (27.3%)	209 (7.5%)	-6 (-3.8%)
		Since 1/00*	1,044 net units on-line or approved		0 net units on-line or approved	
	Core Localities	1990	1,484	184	1,484	184
		2000	1,759	246	1,597	224
		Chg. 90-00	275 (18.5%)	62 (33.7%)	113 (7.6%)	40 (21.7%)
		Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	
Hampton Roads (Virginia portion)	Overall Market	1990	4,061	191	3,890	183
		2000	5,864	267	4,254	194
		Chg. 90-00	1,803 (44.4%)	76 (39.8%)	364 (9.4%)	11 (6.0%)
		Since 1/00*	1,424 net units on-line or approved		339 net units on-line or approved	
	Core Localities	1990	3,242	234	3,081	223
		2000	3,937	316	3,217	258
		Chg. 90-00	695 (21.4%)	82 (35.0%)	136 (4.4%)	35 (15.7%)
		Since 1/00*	460 net units on-line or approved		140 net units on-line or approved	
Richmond	Overall Market	1990	3,291	206	3,244	204
		2000	4,086	263	3,441	221
		Chg. 90-00	795 (24.2%)	57 (27.2%)	197 (6.1%)	17 (8.3%)
		Since 1/00*	663 net units on-line or approved		154 net units on-line or approved	
	Core Localities	1990	2,936	316	2,922	314
		2000	3,506	463	2,952	390
		Chg. 90-00	570 (19.4%)	147 (46.5%)	30 (1.0%)	76 (24.2%)
		Since 1/00*	303 net units on-line or approved		71 net units on-line or approved	
All Large Metropolitan Market Areas		1990	10,638	194	9,925	181
		2000	14,598	256	10,695	187
		Chg. 90-00	3,960 (37.2%)	62 (32.0%)	770 (7.8%)	6 (3.3%)
		Since 1/00*	3,131 net units on-line or approved		493 net units on-line or approved	

Source: HUD, USDA (Rural Housing), and VHDA (assisted units); U.S. Census Bureau (elderly renter households)

*Units placed in service or receiving federal or state funding approval since January 2000

Total Low-Income Elderly Units. This inventory includes elderly independent living developments (i.e., unlicensed developments designed for elderly occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes licensed assisted living facilities. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.

Elderly Units with Deep Subsidies. This inventory includes independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Elderly Renter Households. These are renter households with a householder aged 65 or older.

Federal and State Rental Housing Assistance

Total Low-Income Units with Deep Rental/Operating Subsidies

Table 10C			Project-Based Units	Units per 1000 Renter HHs	Tenant-Based Units	Units per 1000 Renter HHs	Total Deep Subs. Units	Units per 1000 Renter HHs
Washington-Arlington (Virginia portion)	Overall Market	1990	8,388	41	4,847	24	13,235	64
		2000	8,004	33	9,034	37	17,038	69
		Change	-384	-8	4,187	13	3,803	5
		1990-2000	-4.6%	-19.5%	86.4%	54.2%	28.7%	7.8%
	Core Localities	1990	3,273	43	2,441	32	5,714	74
		2000	3,171	36	3,347	38	6,518	74
		Change	-102	-7	906	6	804	0
		1990-2000	-3.1%	-16.3%	37.1%	18.8%	14.1%	0.0%
Hampton Roads (Virginia portion)	Overall Market	1990	19,372	94	6,469	31	25,841	126
		2000	19,054	89	12,293	58	31,347	147
		Change	-318	-5	5,824	27	5,506	21
		1990-2000	-1.6%	-5.3%	90.0%	87.1%	21.3%	16.7%
	Core Localities	1990	15,328	128	4,566	38	19,894	167
		2000	14,487	122	8,406	71	22,893	194
		Change	-841	-6	3,840	33	2,999	27
		1990-2000	-5.5%	-4.7%	84.1%	86.8%	15.1%	16.2%
Richmond	Overall Market	1990	12,857	108	3,909	33	16,766	141
		2000	12,690	99	5,387	42	18,077	141
		Change	-167	-9	1,478	9	1,311	0
		1990-2000	-1.3%	-8.3%	37.8%	27.3%	7.8%	0.0%
	Core Localities	1990	9,821	172	3,017	53	12,838	225
		2000	9,797	174	4,275	76	14,072	250
		Change	-24	2	1,258	23	1,234	25
		1990-2000	-0.2%	1.2%	41.7%	43.4%	9.6%	11.1%
All Large Metropolitan Market Areas		1990	40,617	77	15,225	29	55,842	105
		2000	39,748	68	26,714	46	66,462	113
		Change	-869	-9	11,489	17	10,620	8
		1990-2000	-2.1%	-11.7%	75.5%	58.6%	19.0%	7.6%

Sources: HUD, USDA (Rural Housing), PHAs and VHDA (deep subsidy rental units); U.S. Census Bureau (renter households)

Project-Based Units. This inventory includes family and independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Tenant-Based Units. This inventory includes all authorized units under the Section 8 Housing Choice Voucher and Moderate Rehabilitation programs. Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2) separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.

Loss of Low-Rent Housing Stock

Loss of Units from Federal/State Assisted Inventory

Table 11			Units Lost from Assisted Inventory: Prepay./Opt-Out	Units Lost from Assisted Inventory: Propt. Disposition	Units Provided New Fed./State Assist.	Net Loss of Assisted Units
Washington-Arlington (Virginia portion)	Overall Market	1990 to 1999	2,355	0	869	1,486
		Since Jan. 2000*	310	100	100	310
	Core Localities	1990 to 1999	366	0	207	159
		Since Jan. 2000*	0	100	0	100
Hampton Roads (Virginia portion)	Overall Market	1990 to 1999	1,823	1,360	897	2,286
		Since Jan. 2000*	726	1,590	50	2,266
	Core Localities	1990 to 1999	1,114	1,208	774	1,548
		Since Jan. 2000*	220	1,590	0	1,810
Richmond	Overall Market	1990 to 1999	1,088	266	200	1,154
		Since Jan. 2000*	482	440	216	706
	Core Localities	1990 to 1999	578	166	200	544
		Since Jan. 2000*	216	440	216	440
All Large Metropolitan Market Areas		1990 to 1999	5,266	1,626	1,966	4,926
		Since Jan. 2000*	1,518	2,130	366	3,282

Source: HUD and USDA (Rural Housing)

*Units lost or slated to be lost since January 2000

Loss of Low-Rent Housing Stock

Demolition of Deteriorated/Obsolete Developments

Table 12			Units in Assisted Developments	Units in Large Unassisted Rental Developments	Total Units Demolished in Large Rental Developments
Washington-Arlington (Virginia portion)	Overall Market	1990 to 1999	0	755	755
		Since Jan. 2000*	100	0	100
	Core Localities	1990 to 1999	0	755	755
		Since Jan. 2000*	100	0	100
Hampton Roads (Virginia portion)	Overall Market	1990 to 1999	831	2,000	2,734
		Since Jan. 2000*	1,590	1,154	2,744
	Core Localities	1990 to 1999	802	1,256	1,961
		Since Jan. 2000*	1,590	854	2,444
Richmond	Overall Market	1990 to 1999	800	233	1,033
		Since Jan. 2000*	440	684	1,124
	Core Localities	1990 to 1999	376	0	376
		Since Jan. 2000*	440	0	440
All Large Metropolitan Market Areas		1990 to 1999	1,631	2,988	4,522
		Since Jan. 2000*	2,130	1,838	3,968

Source: HUD, PDCs, and local public agencies

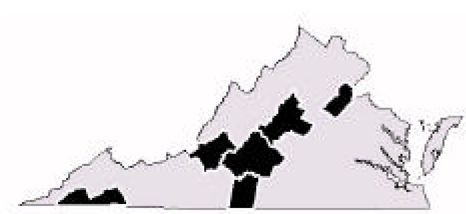
*Units demolished or slated to be demolished since January 2000

Note: Includes only unassisted rental units in large developments (75 or more units). These represent only a portion of total private demolitions, but are referenced here because they generally fall outside the normal trendline of losses to the rental housing stock.

Analysis of Housing Needs in the Commonwealth

Part III: Housing Needs in Small Metropolitan Markets

Roanoke
Lynchburg
Fredericksburg
Charlottesville
Danville
Kingsport-Bristol
(Virginia portion)



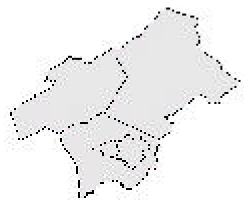
Virginia Department of Housing and Community Development

Virginia Housing Development Authority

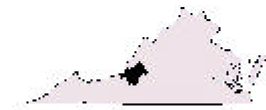
November 2001

Part III: Housing Needs in Small Metropolitan Areas

Contents



Roanoke Market Area



Core Locality: Roanoke City

Surrounding Localities: Botetourt, Craig and Roanoke Counties; Salem City

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Roanoke on March 14, 2001 to solicit public input on housing needs and priorities in the small metropolitan and non-metropolitan urban areas in south central and western Virginia. Sixty-nine persons participated in small, facilitated discussion groups at the forum representing housing needs and interests in the Roanoke, Lynchburg, Blacksburg, Danville and Martinsville housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Roanoke area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the six primary themes arising from public discussion at the forum.

Six Major Themes and Associated Issues Identified at the Roanoke Forum

1. The availability of affordable housing is very limited.

Priority Issues Identified by Forum Participants

- **The affordable housing stock is in poor condition.**

  Affordable housing is in substandard condition. The high cost of materials inhibits rehabilitation and repair. Some existing homes are deteriorating because owners do not have the financial resources for repair and maintenance, especially the elderly and others on fixed incomes. Many of these people live in older homes that require more costly repairs.

- **The gap between incomes and housing costs is growing.**

  People earning low wages or on fixed incomes have limited housing choices. High-value new construction is increasing the cost of housing for lower income individuals. Limited land available for development and rising real property taxes contribute to increased housing costs. In addition, upfront costs (such as deposits, advanced rents, etc.) hinder the working poor from finding suitable housing.

1. The availability of affordable housing is very limited.
(continued)

Related Issues Identified through Needs Analysis

- **Several factors limit housing choice for low-income people.**

  During the 1990s, the rate of household growth in the Roanoke area slightly exceeded the rate of increase in the housing stock. Consequently, both homeowner and rental vacancy rates declined. Both declines were moderate and insufficient to create a "tight" market situation. Nevertheless, declining vacancies reduced housing choice. In addition, affordable housing options are highly concentrated within Roanoke City. The area has an aging housing stock, and—as noted by forum participants—there is a concern about declining housing quality in older city neighborhoods. Together, these issues magnify the impact of declining vacancies on low-income households.

- **The region's housing stock is aging.**

  During the 1990s, the Roanoke market experienced a rate of housing increase nearly half the state average. In particular, the area had a rate of increase in multifamily units that was only a third the statewide level. Consequently, the average age of the area's housing is rising, particularly the average age of multifamily units. This has increased the need for rehabilitation of both homeowner and rental units.

- **A number of factors cause concern about housing costs despite improved overall affordability.**

  For the average Roanoke area household, rental housing is more affordable than for their counterparts in other markets in the state. The share of median income needed to afford a unit at the prevailing market rent is the lowest for any market area, due to a combination of relatively low rents and above-average income growth. Low-income renters are also better off than their counterparts in other markets. The Roanoke area has ratios of total deep subsidy rental units per 1000 renter households and total deep subsidy units per 1000 persons in poverty that are nearly 30 percent higher than statewide averages and higher than in all other housing market areas except for Bristol, Danville, and the Cumberland Plateau.[1]

[1] These three housing markets have higher ratios of total deep subsidy units per 1000 renter households than Roanoke, but lower ratios of total deep subsidy units per 1000 persons in poverty.

1. The availability of affordable housing is very limited.
(continued)

For homebuyers, there has been overall improvement in affordability since 1990. While area home prices have increased somewhat faster than incomes, this has been more than offset by declining interest rates.

Nonetheless, low-income households that do not live in assisted housing continue to face challenges in renting, purchasing and maintaining homes. Unassisted rental housing in the Roanoke area remains unaffordable to the lowest income populations. There has been only a small increase in the area's overall homeownership rate, and homeownership rates have declined for minority groups and for residents of Roanoke City. The area also has a below average use of manufactured homes, which provide an affordable alternative for lower income homebuyers.

One factor impacting affordability is household composition. The area's average household size (2.33 persons) is the second lowest among the state's housing markets. During the 1990s, nearly the entire increase in households was made up of single-persons and non-married households with children. A large majority of the latter are single parents with one income. Generally, single-income households are more challenged in affording housing than are households with two incomes. There are large and widening disparities between the homeownership rates for non-Hispanic Whites and minority groups. The homeownership rates for Blacks and Hispanics declined significantly during the 1990s at a time when nearly three quarters of the increase in area population was among minorities.

2. Rental properties are deteriorating and disincentives exist for maintenance and repair.

Priority Issues Identified by Forum Participants

- **Rental properties are deteriorating.**

Some landlords, especially absentee landlords, do not care if buildings deteriorate. There are limited laws to hold property owners accountable and few staff to enforce codes and regulations. Some landlords and renters may not be aware of their rights, responsibilities, and obligations. Some renters do not care if buildings deteriorate and those that do care have no other alternatives.

2. Rental properties are deteriorating and disincentives exist for maintenance and repair.
(continued)

- **There are disincentives to investment.**

  It is sometimes more financially beneficial for owners of rental properties in cities to make cosmetic repairs and leave properties vacant than bear the repair and management costs of renting their property. Local property taxes favor deferred maintenance on rental properties.

- **Housing disinvestment is hurting neighborhoods.**

  Poorly maintained rental properties negatively impact surrounding areas, reduce the incentive for other owners to invest in maintenance, and have negative impacts on the neighborhood such as increased crime and sanitation problems. Vacant and abandoned properties are difficult to upgrade or replace at a reasonable cost.

Related Issues Identified through Needs Analysis

- **Poverty is highly concentrated in the City of Roanoke.**

  Concentration of poverty reduces neighborhood purchasing power and feeds the cycle of disinvestment and housing deterioration cited as serious concerns by forum participants. Roanoke City has a high level of poverty and a large disparity between its poverty rate and that of the total market area. In addition, minorities and assisted housing are also highly concentrated in Roanoke City. The mobility of low-income people is restricted both by racial barriers and by limited affordable housing choices in suburban locations. This perpetuates the existing concentration of poverty.

3. Demand for housing for people with special needs is increasing.

Priority Issues Identified by Forum Participants

- **The need for transitional and long-term housing is increasing.**

  Hospital and rehabilitation discharge policies are increasing the number of low-income people with disabilities who are in danger of becoming homeless. This includes people with mental or physical disabilities, seniors, and others whose caregivers are aging or have passed away. Quality assisted living options are needed for the disabled with access to support system programs and services.

4. Housing policies impact the affordability and supply of housing.

Priority Issues Identified by Forum Participants

- **Government policies limit housing choices.**

  Local governments do not view housing needs as a priority. There is a perceived disinterest at the local, state, and national level in providing policy and financial resources that promote affordable housing, such as adequate/proper zoning laws and building codes. Local governments are not motivated to disperse low-income housing throughout the region because it is cheaper and easier to cluster. Zoning laws prevent manufactured housing development and institute excessive hidden housing costs such as lateral utility hookups and fees.

- **There is a dichotomy between the housing needs of low-income people and the interests of developers and local governments.**

  The profit motivation of developers and landlords, and local governments' need to balance revenues and service costs, frequently diverge from the need of low-income people for decent, safe, and affordable housing.

Related Issues Identified through Needs Analysis

- **Parts of the region are not served by a local Housing Choice Voucher program.**

  Botetourt County and Salem City do not have local Housing Choice Voucher programs. This limits access to affordable rental housing in urban and suburban locations outside of concentrations of assisted housing and poverty in Roanoke City.

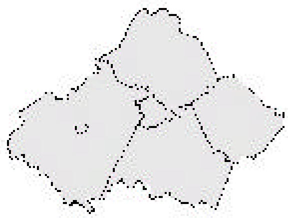
5. People in need are not always aware of or in a position to take advantage of available options for assistance.

Priority Issues Identified by Forum Participants

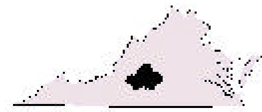
- **Consumers are unaware of available options.**

  Some potential first-time homebuyers are unfamiliar with the home buying process or are not sure they can take on the responsibility of homeownership. New homeowners are not always aware of their rights and responsibilities or what is required for adequate maintenance and repair.

5. People in need are not always aware of or in a position to take advantage of available options for assistance. (continued)	• **Credit and financial counseling are needed.** Many individuals do not understand the importance of their credit rating and do not do a good job managing their finances. Education is needed—starting while people are still in school—that will provide knowledge on basic budgeting and life skills. Training and support is needed on checkbook balancing, money management, and credit counseling.
6. Greater flexibility is needed within program guidelines.	**Priority Issues Identified by Forum Participants** • **Program guidelines are too restrictive.** The description of "family" according to VHDA guidelines creates serious problems in providing housing finance to low-income households. Approval guidelines are too strict and complicate the process. Credit rules do not take into account the financial difficulties within the low-income community. Flexible programs are needed for the elderly and disabled.



Lynchburg Market Area



Core Locality: Lynchburg City

Surrounding Localities: Amherst, Appomattox, Bedford and Campbell Counties; Bedford City

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Roanoke on March 14, 2001 to solicit public input on housing needs and priorities in the small metropolitan and non-metropolitan urban areas in south central and western Virginia. Sixty-nine persons participated in small, facilitated discussion groups at the forum representing housing needs and interests in the Lynchburg, Roanoke, Blacksburg, Danville and Martinsville housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Lynchburg area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the six primary themes arising from public discussion at the forum.

Six Major Themes and Associated Issues Identified at the Roanoke Forum

1. The availability of affordable housing is very limited.

Priority Issues Identified by Forum Participants

- **The affordable housing stock is in poor condition.**

  Affordable housing is in substandard condition. The high cost of materials inhibits rehabilitation and repair. Some existing homes are deteriorating because owners do not have the financial resources for repair and maintenance, especially the elderly and others on fixed incomes. Many of these people live in older homes that require more costly repairs.

- **The gap between incomes and housing costs is growing.**

  People earning low wages or on fixed incomes have limited housing choices. High-value new construction is increasing the cost of housing for lower income individuals. Limited land available for development and rising real property taxes contribute to increased housing costs. In addition, upfront costs (such as deposits, advanced rents, etc.) hinder the working poor from finding suitable housing.

1. The availability of affordable housing is very limited.
(continued)

Related Issues Identified through Needs Analysis

- **A number of factors limit rental housing choice for low-income people.**

The Lynchburg area has a below-average share of multifamily units. During the 1990s, the increase in those units was smaller than renter household growth. Consequently, the rental vacancy rate declined. The decline was moderate and insufficient to create a "tight" market situation. Nevertheless, declining vacancies reduce housing choice.

In the Lynchburg area, affordable rental housing options are highly concentrated within the City of Lynchburg. The area has an aging multifamily housing stock, and—as noted by forum participants—there is a concern about declining housing quality in older city neighborhoods. Together, these issues magnify the impact of declining rental vacancies on low-income households.

- **The region's multifamily housing stock is aging.**

During the 1990s, the Lynchburg area's total growth in housing units slightly exceeded the statewide average. However, while the rate of increase in single-family units outstripped the statewide average, the rate of increase in multifamily units was less than half the statewide rate. The disparity in single-family and multifamily growth rates was very large. Single-family units increased at nearly four and a half times the rate of multifamily units. Consequently, the average age of the area's multifamily housing is rising. This has increased the need for rehabilitation of rental housing, and partly explains the concerns expressed by forum attendees regarding rental housing quality.

- **A number of factors cause concern about housing costs despite improved overall affordability.**

For the average Lynchburg area household, both rental and homeownership housing are more affordable than for their counterparts in urban and rural markets in the northern and eastern regions of the state. The share of median income needed to afford a unit at the prevailing market rent is relatively low due to comparatively low rent levels.

For homebuyers, overall affordability has improved since 1990. Average household income has increased faster than

1. The availability of affordable housing is very limited.
(continued)

area home prices, and affordability has been further enhanced by declining interest rates and above-average use of manufactured homes.

Nonetheless, low-income households that do not live in assisted housing continue to face challenges in renting housing. Unassisted rental housing in the Lynchburg area remains unaffordable to the lowest income populations. Renter household growth outstripped the increase in assisted rental units. This has resulted in a decline in the ratio of total assisted family units per 1000 non-elderly renter households. Further, while the Lynchburg area has a ratio of total deep subsidy rental units per 1000 renter households that is 10 percent higher than the statewide average, its ratio of total deep subsidy units per 1000 people in poverty is only 78 percent of the state average. This is due to the area's below-average income growth and above-average poverty rate.

Likewise, while there has been a healthy increase in the area's overall homeownership rate, the increase in homeownership has been small in Lynchburg City. There continue to be wide disparities in homeownership between non-Hispanic Whites and minority groups, and the disparities are increasing. Homeownership rates for minorities declined sharply during the 1990s at a time when 56 percent of the increase in area population was among minorities.

One factor impacting affordability is household composition. During the 1990s, a large share of the increase in households was made up of single-persons and non-married households with children. A large majority of the latter are single parents with one income. Generally, single-income households are more challenged in affording housing than are households with two incomes.

2. Rental properties are deteriorating and disincentives exist for maintenance and repair.

Priority Issues Identified by Forum Participants

- **Rental properties are deteriorating.**

Some landlords, especially absentee landlords, do not care if buildings deteriorate. There are limited laws to hold property owners accountable and few staff to enforce codes and regulations. Some landlords and renters may not be aware of their rights, responsibilities, and obligations. Some renters do not care if buildings deteriorate and those that do care have no other alternatives.

2. Rental properties are deteriorating and disincentives exist for maintenance and repair.
(continued)

- **There are disincentives to investment.**

  It is sometimes more financially beneficial for owners of rental properties in cities to make cosmetic repairs and leave properties vacant than bear the repair and management costs of renting their property. Local property taxes favor deferred maintenance on rental properties.

- **Housing disinvestment is hurting neighborhoods.**

  Poorly maintained rental properties negatively impact surrounding areas, reduce the incentive for other owners to invest in maintenance, and have negative impacts on the neighborhood such as increased crime and sanitation problems. Vacant and abandoned properties are difficult to upgrade or replace at a reasonable cost.

Related Issues Identified through Needs Analysis

- **Poverty is highly concentrated in the City of Lynchburg.**

  Concentration of poverty reduces neighborhood purchasing power and feeds the cycle of disinvestment and housing deterioration cited as serious concerns by forum participants. Lynchburg City has a high level of poverty and a large disparity between its poverty rate and that of the total market area. In addition, minorities and assisted housing are also highly concentrated in Lynchburg City. The mobility of low-income people is restricted both by racial barriers and by limited affordable housing choices in suburban locations. This perpetuates the existing concentration of poverty.

3. Demand for housing for people with special needs is increasing.

Priority Issues Identified by Forum Participants

- **The need for transitional and long-term housing is increasing.**

  Hospital and rehabilitation discharge policies are increasing the number of low-income people with disabilities who are in danger of becoming homeless. This includes people with mental or physical disabilities, seniors, and others whose caregivers are aging or have passed away. Quality assisted living options are needed for the disabled with access to support system programs and services.

4. Housing policies impact the affordability and supply of housing.

Priority Issues Identified by Forum Participants

- **Government policies limit housing choices.**

  Local governments do not view housing needs as a priority. There is a perceived disinterest at the local, state, and national level in providing policy and financial resources that promote affordable housing, such as adequate/proper zoning laws and building codes. Local governments are not motivated to disperse low-income housing throughout the region because it is cheaper and easier to cluster. Zoning laws prevent manufactured housing development and institute excessive hidden housing costs such as lateral utility hookups and fees.

- **There is a dichotomy between the housing needs of low-income people and the interests of developers and local governments.**

  The profit motivation of developers and landlords, and local governments' need to balance revenues and service costs, frequently diverge from the need of low-income people for decent, safe, and affordable housing.

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Priority Issues Identified by Forum Participants

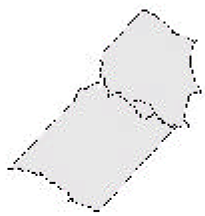
- **Consumers are unaware of available options.**

  Some potential first time homebuyers are unfamiliar with the home buying process or are not sure they can take on the responsibility of homeownership. New homeowners are not always aware of their rights and responsibilities as owners or what is required for adequate maintenance and repair.

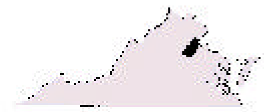
- **Credit and financial counseling are needed.**

  Many individuals do not understand the importance of their credit rating and do not do a good job managing their finances. Education is needed—starting while people are still in school—that will provide knowledge on basic budgeting and life skills. Training and support is needed on checkbook balancing, money management, and credit counseling.

6. Greater flexibility is needed within program guidelines.	Priority Issues Identified by Forum Participants
	• **Program guidelines are too restrictive.** The description of "family" according to VHDA guidelines creates serious problems in providing housing finance to low-income households. Approval guidelines are too strict and complicate the process. Credit rules do not take into account the financial difficulties within the low-income community. Flexible programs are needed for the elderly and disabled.



Fredericksburg Market Area



Core Locality: Fredericksburg City

Surrounding Localities: Spotsylvania and Stafford Counties

Summary of Priority Housing Issues and Needs

Two half-day housing forums were held in Fairfax on March 29, 2001 to solicit public input on housing needs and priorities in Northern Virginia. Over 180 persons participated in small, facilitated discussion groups at the two forums. A large majority of forum participants represented housing needs and interests in the Virginia portion of the Washington-Arlington housing market area. Nevertheless, the Fredericksburg market—as part of the larger Washington-Baltimore urban region—is sufficiently integrated with the adjacent Washington-Arlington area so that the public input at the two Fairfax forums can be expected to reasonably represent the needs and concerns of Fredericksburg area residents. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Fredericksburg area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forums.

Four Major Themes and Associated Issues Identified at the Fairfax Forums

1. Rapid growth and high demand are decreasing the availability of affordable housing.

Priority Issues Identified by Forum Participants

- **Housing prices are increasing faster than wages for low-income households.**

  The region is a high growth employment center, which has increased the cost of land for development. As a result, new rental and single-family developments are targeting higher income individuals. Rental rates for existing properties have also been increasing due to high demand. Income levels for low-income persons are not keeping pace with the rise in housing costs. People earning less than 50 percent of the area median income are getting squeezed out of the market. Minimum wage is not a living wage in the region and many working poor are not able to afford homes and cannot find decent, affordable rental units.

1. Rapid growth and high demand are decreasing the availability of affordable housing.
(continued)

- **There has been a decrease in affordable housing.**

Many affordable housing units are being converted to market rate housing or lost to redevelopment. The existing inventory of affordable housing is disappearing because the land is more valuable for other uses. Affordable housing is also being lost as a result of revitalization. Affordable units are being replaced with more expensive housing. Efforts are needed to preserve and replace affordable housing units. More programs or incentives are needed to encourage private developers to build low-income housing.

- **Landlords are dropping out of the Housing Choice Voucher program.**

There are few incentives for landlords to continue participation in project-based and tenant-based Section 8 programs. HUD regulations decrease landlord motivation to extend project-based subsidy contracts. Likewise, fewer landlords are participating in the voucher program because market rate rents are so high.

Related Issues Identified through Needs Analysis

- **Area housing costs are extremely high relative to income.**

In the Fredericksburg area, housing costs are higher relative to income than in any other housing market in the state. An income equal to 62 percent of the area median is needed to afford a one-bedroom apartment at prevailing market rents. Inflated housing prices and rents result from proximity to the high-cost Washington-Arlington area and rapid growth that has increased land and labor costs.

In addition, income growth has been weak even though median income is somewhat above the statewide average and the poverty rate is low. Per capita income has risen at a rate half that in the Washington-Arlington area and just over two-thirds the statewide average. This is likely due to a number of factors, including the area's very high average household size, which reduces income measured on a per capita basis. In addition, the Fredericksburg area has firms seeking a lower cost location within the larger Washington-Baltimore urban region. Many new facilities are back-office operations that pay relatively lower wages.

1. Rapid growth and high demand are decreasing the availability of affordable housing.
(continued)

- **The lowest income groups have a very wide gap between their income and housing costs.**

  There is an extremely large gap between the income of households on limited fixed benefit incomes and households dependent on minimum wage jobs, and the cost of adequate housing at prevailing market rents. The wage level required to afford a one-bedroom apartment in the market area is nearly three times the full-time minimum wage. For disabled people dependent on Supplemental Security Income (SSI), the rent for a one-bedroom unit is equal to 140 percent of their monthly income.

- **The increase in housing has not kept pace with rapid household growth, but vacancy rates remain adequate.**

  During the 1990s, the Fredericksburg area had the highest rate of household and housing growth of any market in Virginia. Households and housing units both increased by over 50 percent. The pace of growth was so rapid that housing unit increases did not fully keep pace with high demand. As a result, homeowner and rental vacancy rates have declined. In the home purchase market, vacancies were relatively high in 1990, so that the area has been able to absorb a large decline in vacant units without suffering tight market conditions. In 2000, the homeowner vacancy rate was equivalent to that in other small metropolitan markets. Likewise, in the rental market, modest declines in the vacancy rate have not yet created the very tight market conditions experienced in the Washington-Arlington area.

- **Substantial production of Low-Income Housing Tax Credit units has resulted in an extremely large gain in total assisted rental units.**

  In 1990, the Fredericksburg area had relatively low ratios of family and elderly assisted units per 1000 renter households. However, as a result of substantial production of assisted family and elderly units through the federal Low-Income Housing Tax Credit program, there have been very large increases in those ratios. By 2000, the ratios of total family and elderly assisted housing per 1000 renter households were very high compared other urban markets and statewide levels.

1. Rapid growth and high demand are decreasing the availability of affordable housing. (continued)

- **In contrast, the relative available of deep subsidy units remains well below the statewide average and the level in most other metropolitan markets.**

  Although total assisted housing production has more than kept pace with increases in renter households, the area has lost ground compared to other markets in the relative availability of deep subsidy assistance. The Fredericksburg area has had limited production of new project-based deep subsidy units compared to other small metropolitan markets. This has been partly due to a lack of production through the federal Rural Housing Service Section 515 program. Furthermore, the area has lost 18 percent of its 1990 stock of project-based deep subsidy units as a result of owner prepayment and program opt-out. The situation is worse for family housing. The ratio of deep subsidy family units per 1000 non-elderly renter households fell from 59 in1990 to just 33 in 2000.

  In 1990, the area had few tenant-based deep subsidy units. Substantial tenant-based assistance has been provided since 1990, but the area still has the lowest ratio of tenant-based units per 1000 renter households of any metropolitan market. As a consequence, the area's current ratio of total of deep subsidy units per 1000 renter households—while higher than in the Washington-Arlington area—is lower than in most other metropolitan markets and roughly two-thirds of the statewide level. Even factoring in the area's low poverty rate, the ratio of deep subsidy units per 1000 persons in poverty is just three-quarters of the statewide level.

- **There are much smaller racial and ethnic homeownership disparities than in other metropolitan markets.**

  As in the Washington-Arlington market, strong economic growth and extremely low unemployment have helped to support homeownership gains for racial and ethnic minorities despite high area housing costs. Other factors supporting increased homeownership were high average household size (the largest of any market) and a large share of households with children. During the 1990s, there was a very large gain in black homeownership. The Hispanic homeownership rate also had a sizable increase, although a somewhat smaller one than for non-Hispanic Whites. Consequently, the Fredericksburg area has relatively small

1. Rapid growth and high demand are decreasing the availability of affordable housing. (continued)

disparities in the homeownership rates of non-Hispanic Whites and minority groups compared to other metropolitan housing markets.

- **There is a wide disparity in homeownership between Fredericksburg City and the surrounding counties.**

Fredericksburg City has the lowest homeownership rate in Virginia, while the homeownership rate in surrounding counties is relatively high. As a result, the Fredericksburg area has the largest disparity in homeownership between the core locality and the overall market area of any housing market in Virginia. In addition, this disparity is widening. Fredericksburg City had a significant decline in its homeownership rate between 1990 and 2000, while the homeownership rate in the surrounding counties increased.

- **There has been relatively little use of manufactured homes.**

The share of total housing units that are manufactured homes equals the statewide level. However, during the 1990s, the share of new single-family units that were manufactured home was by far the lowest of any small metropolitan area and two-thirds less than the statewide share. The current limited use of manufactured homes reduces the ability of low-income households to afford home purchase.

2. The demand for housing and support services for people with special needs is increasing.

Priority Issues Identified by Forum Participants

- **The number of homeless people is increasing.**

The number of homeless families and individuals are increasing due to very high rental costs relative to the income of low-wage workers. The availability of housing and services is inadequate to meet their needs. There is a shortage of homeless and emergency shelters, and an inadequate supply of transitional housing. Once in transitional housing, there is a long waiting list for Housing Choice Vouchers needed to afford adequate permanent housing. At present, there is no regional plan for ending homelessness.

- **People with disabilities have few housing choices.**

There is high demand for and low supply of barrier-free units. There is also a need to increase the supply of afford-

2. The demand for housing and support services for people with special needs is increasing.
(continued)

able units that incorporate "universal design" features. Overall, people are not attuned to the needs of the disabled so there is very little support for disabled housing. This is reflected in a number of ways. Many multifamily units are not in compliance with the Americans with Disabilities Act (ADA), and there are no accessibility standards in place for single-family units. Few programs address barrier removal and home retrofit for seniors and other disabled persons.

- **Inadequate residential supportive services are available to people with disabilities.**

People with mental or physical disabilities need a wide variety of residential support services. Many people need long-term services and support. Ongoing case management is a critical need. However, many disabled people are not receiving the services they need in order to live independently. There is a disconnection between housing, transportation, and employment services and opportunities. De-institutionalization has resulted in people being released with little or no support services and few housing choices, leading to "recycling" of people back into institutions.

- **Transitional housing choices are limited.**

A complete spectrum of housing choices is needed to ensure a variety of living options that will provide levels of support based on individual needs. Accessible and affordable transitional housing is needed for individuals moving from nursing homes or institutions to independent living, people with mental or physical disabilities, those released from jail, and people who are homeless. There is also a need for group homes and other permanent supportive housing facilities. Currently, people leaving treatment-oriented programs have nowhere to transition. The availability of funding assistance for those living in supportive housing facilities is too limited.

- **Other types of supportive services are also needed.**

Other types of supportive services are needed by people with disabilities, seniors, and new immigrants. For example, minimal support services are available for low-income people who have limited life skills and job training; this restricts their housing options. Immigrants and cultural minorities need specialized housing counseling services to help them overcome language and cultural barriers.

3. There is insufficient awareness, commitment, and support for housing issues in the region

Priority Issues Identified by Forum Participants

- **Public policies are not linked to housing issues.**

  The Virginia portion of the Washington-Baltimore urban region has complex and unique housing issues, and community acceptance and leadership by elected officials is needed to meet these needs. More needs to be done to develop comprehensive and coordinated regional strategies. There is no cohesive public and private regional plan for affordable housing. There is also a disconnect between land use policies, transportation, employment centers and services, and housing development. In particular, there is a disconnect between the location of affordable housing and job opportunities. Large corporations moving into the area have an effect on housing availability and affordability and this should be considered in comprehensive planning.

  In addition, there are barriers to effective implementation of housing solutions. There is a lack of zoning tools to encourage affordable housing in Virginia compared to other states. Zoning policies and occupancy standards are not responsive to housing supply and demand issues. High rise development and SRO housing are possible solutions that are not being fully explored. Manufactured housing is often prohibited.

- **Housing is not given enough priority.**

  Local, state, and federal officials have not made affordable housing a high priority issue. There is a lack of political will and long-term commitment to address housing problems, and State resources for affordable housing have decreased. Housing becomes subordinated to other issues. There is a perception that no real planning takes place concerning affordable housing, and the emphasis is on economic development and generation of new revenues. Affordable housing is viewed only as an expense. The public sector has an important role to play in gathering accurate and current data and using it to predict housing needs. The public sector also has a key role in addressing a variety of important infrastructure issues related to housing.

- **A more holistic approach to housing is needed.**

  The provision of affordable housing needs to be viewed from a systems perspective. Housing is a community issue,

3. There is insufficient awareness, commitment, and support for housing issues in the region (continued)

not just an individual or family matter. Holistic solutions are required, not just solutions which favor one segment of the community. Affordable housing needs to be integrated into a variety of mixed-income communities. Localities and nonprofits need to work together regionally to address housing issues

- **Community understanding and support are insufficient.**

There is a negative perception of people who reside in affordable housing. There is a stigma associated with low-income, mental illness, and persons in need that leads to a "not-in-my-backyard" attitude. More marketing and education is needed on what affordable housing is, and whom it serves, in order to increase community understanding and acceptance. People with special challenges need to be integrated into a community vision for housing and valued. The mainstream is not educated on the issues surrounding homelessness and special need populations and their cost to society.

4. Existing programs and services need to be better utilized

Priority Issues Identified by Forum Participants

- **Access to and use of existing programs needs to be increased.**

Singles, disabled people, and people on limited fixed incomes do not meet the criteria for existing housing programs that are appropriate to their needs. VHDA credit guidelines hinder serving first-time homebuyers and other populations who need assistance. Attention should be paid to regional differences when establishing economic standards for housing programs. There is a need to add housing consumers to the VHDA and DHCD Boards and create greater two-way communication between DHCD/VHDA and the various regions in order to increase understanding of needs and utilization of resources. Public awareness of existing programs and resources also needs to be increased.

- **Additional financial resources are needed.**

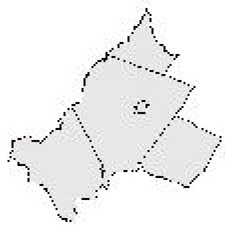
Financing is needed to bridge the gap between high costs and low incomes. Low-interest or no down payment mortgage programs are needed for low-income individuals. There is a need for voluntary incentives, such as tax credits,

4. Existing programs and services need to be better utilized
(continued)

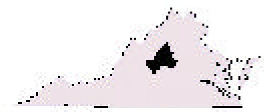
for developers to provide affordable housing. There is too much emphasis on homeownership as a solution to housing affordability. VHDA needs to make better use of all available financial resources.

- **Program administration is uneven.**

  There is a perception that the administration of regulations, such as building and maintenance codes, and existing subsidies for housing, are unevenly applied across the region.



Charlottesville Market Area



Core Locality: Charlottesville City

Surrounding Localities: Albemarle, Fluvanna, Greene and Nelson Counties

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Harrisonburg on March 6, 2001 to solicit public input on housing needs and priorities in small urban and rural regions in northern and western Virginia. Over fifty persons participated in small, facilitated discussion groups at this forum representing housing needs and interests in the Charlottesville, Staunton-Waynesboro, Harrisonburg, Winchester, Northern Valley-Piedmont, and Alleghany Highlands housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Charlottesville area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forum.

Four Major Themes and Associated Issues Identified at the Harrisonburg Forum

1. Rising demand is decreasing the availability of affordable housing options.

Priority Issues Identified by Forum Participants

- **There is a growing gap between wages and housing costs.**

  The difference between what people can earn and what people have to pay for housing is increasing in the region. This growing gap is fueled in part by increased competition for housing as a result of retirees moving into the area and commuters who travel outside the region for employment. Not only does this create a tighter housing market, but these consumers can also generally afford to pay more for housing. Many long-time residents have limited earning potential and are becoming more dependent on subsidies to obtain housing or are forced to live in crowded conditions. As a result, the rising demand for Housing Choice Vouchers continues to exceed the availability of subsidy assistance.

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

- **The availability of affordable housing is decreasing.**

  Landlords with affordable units are becoming less willing to accept vouchers due to a history of tenant late payments or other prior tenant problems. This "Section 8" stigma limits the number of units that are available, even if a voucher is obtained. There is a need to educate landlords as to the advantages of participation and to dispel stereotypes.

Related Issues Identified through Needs Analysis

- **Rapid household growth has exceeded housing growth, exacerbating already tight housing market conditions.**

  During the 1990s, the Charlottesville area experienced household growth well above the statewide average. The rate of household growth exceeded the increase in housing units. Consequently, both homeowner and rental vacancy rates declined, exacerbating an already tight market situation.

- **Nevertheless, very strong employment and income growth have helped to maintain housing affordability for the average household.**

  The Charlottesville area experienced very high employment growth in industries that supported large increases in household and per capita income. As a result, incomes for average households have risen faster than either rents or home prices. Despite above average rent levels, the share of median income required to afford rental housing is about average for small metropolitan areas. This contrasts with the Fredericksburg market, which has also experienced strong growth and rising housing costs, but where incomes have risen much more slowly.

- **High median and per capita income growth have not benefited the lowest income populations.**

  Households living on limited fixed benefit incomes and households reliant on minimum wage employment have not benefited by the area's overall income gains. Their incomes have not kept pace with rising housing costs. Instead, they face a large and widening gap between their limited incomes and prevailing market rents. The rent for a one-bedroom unit now requires virtually all of the income of a disabled per-

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

son relying on Supplemental Security Income (SSI). The wage needed to afford a one-bedroom rental unit is nearly twice the minimum wage.

- **Not all groups have benefited from the area's large increase in homeownership.**

  The Charlottesville area has a below-average homeownership rate due to the impact of the large student renter population at the University of Virginia. Nonetheless, during the 1990s, strong economic conditions and high rates of in-migration helped the area achieve a higher increase in the rate of homeownership than any other housing market except Hampton Roads. However, the overall gain in homeownership was not shared by all groups. Charlottesville City had a decline in the homeownership rate. The area also has large and widening disparities in homeownership by race and ethnicity. The homeownership rate for Blacks declined during the 1990s. Hispanic homeownership increased, but at a much slower rate than for non-Hispanic Whites.

- **There is relatively limited availability of assisted and deep subsidy units.**

  The area has a larger rental affordability gap than most other small metropolitan areas, but has low ratios of assisted and deep subsidy units per 1000 renter households. The ratio of total assisted family units per 1000 non-elderly renter households has nearly doubled since 1990, but still lags behind most other small metropolitan areas and the state as a whole. The ratio of total assisted elderly units per 1000 elderly renter households has shown no increase and substantially lags behind the comparable ratios statewide and all other small metropolitan areas.

  The area similarly lags behind most other markets in the availability of deep subsidy family and elderly units. There is a particular shortage of deep subsidy family units relative to other housing markets. The area's ratio of total deep subsidy units per 1000 renter households is just 70 percent of the statewide ratio.

  The area is also burdened by a very high reliance on tenant-based subsidies. Currently, 63 percent of total deep subsidy units are tenant-based. The Charlottesville area has a much larger share of multifamily units than other small metropolitan markets. Nevertheless, the low rental vacancy

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

rate makes it difficult for tenant-based subsidies to be fully used. As noted by forum participants, there has been increased difficulty maintaining landlord participation in the Housing Choice Voucher program due in part to tight rental market conditions.

- **Persons living in poverty, deep subsidy units, and minorities are disproportionately concentrated in Charlottesville City.**

  Concentration of poverty limits economic opportunity and access to growing employment opportunities in the wider housing market area. Charlottesville City has a high level of poverty and a disparity between its poverty rate and that of the total market. In addition, minorities and assisted housing are also concentrated in Charlottesville City. The mobility of low-income people is restricted by the more limited affordable housing choices in suburban locations. This perpetuates the existing concentration of poverty.

2. Special needs housing and support services are inadequate.

Priority Issues Identified by Forum Participants

- **Seniors need increased assistance and support in order to remain in their homes.**

  There is a growing need for assistance to help people stay in their homes. This includes making adaptations as residents age, and maintaining and repairing aging housing to ensure it is safe.

- **Transitional housing choices are inadequate.**

  There is a growing need for readily accessible transitional housing for those in need such as people with mental disabilities, seniors, and victims of abuse. Deinstitutionalization has helped to increase this need and few housing options exist for people transitioning from one housing situation to another. There is an increasing demand for beds in emergency shelters for the homeless and temporary housing for families in crisis.

- **Demand for accessible housing is increasing.**

  Demand is also increasing for housing that is appropriate for people with physical disabilities. Many people do not realize what "accessible" really means and few units are available to the disabled. Affordability is a key

2. Special needs housing and support services are inadequate. (continued)

issue as many disabled people have limited earning potential.

- **Mobility and support services are required.**

  Housing for people with special needs is not always convenient to other necessary support services such as shopping, medical services, and public transportation. There is a need for increased housing that is close to services as well as employment opportunities.

3. There is insufficient awareness, commitment, and support to make housing a priority issue in the region.

Priority Issues Identified by Forum Participants

- **Local governments need to increase support for housing.**

  Concerns were expressed that local governments are reluctant to address the variety of housing needs in the region. This reluctance may arise from a lack of awareness of the extent of needs as well as a perception that additional housing will produce increased demands for additional public expenditures for schools and other support services. Concern was also expressed that current government policies, including zoning ordinances, are restricting housing choices due to increased costs to meet zoning demands or the lack of sites suitably zoned for needed residential development.

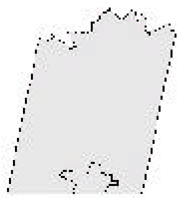
- **Increased community awareness and support are needed.**

  The general public is not aware of the extent of housing needs, nor does it have a thorough understanding of the issues affecting affordable and accessible housing. This lack of awareness and support hampers the development of local political will to address these issues.

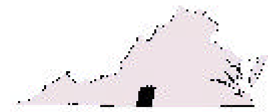
- **A more regional response is needed.**

  Regional approaches to addressing housing needs are insufficient. This includes not only local government responses, but also the lack of regional coordination among existing public and private housing organizations and programs.

3. There is insufficient awareness, commitment, and support to make housing a priority issue in the region. (continued)	• **Housing needs to be more integrated into community planning activities.** A holistic approach is needed to tie affordable and accessible housing more closely to community planning and development. There is a need to seek more creative solutions to housing issues instead of pursuing traditional approaches. There is also a need to develop more leadership in the arena of housing development in the non-urbanized areas of the region.
4. There are barriers to accessing assistance.	**Priority Issues Identified by Forum Participants** • **Housing program options are too limited.** More options are needed among the "products" offered for housing assistance. Flexibility in program design needs to be increased and limits on service and income levels need to be broadened. • **Credit and financial management problems hinder homeownership.** Many people in need of housing are not knowledgeable about credit requirements for home purchase. They are unable to acquire money for homeownership because of problems with work history, debt, credit history and/or references. Credit and financial management counseling are needed to help people qualify for program assistance and commercial loans.



Danville Market Area



Core Locality: Danville City

Surrounding Locality: Pittsylvania County

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Roanoke on March 14, 2001 to solicit public input on housing needs and priorities in the small metropolitan and non-metropolitan urban areas in south central and western Virginia. Sixty-nine persons participated in small, facilitated discussion groups at the forum representing housing needs and interests in the Danville, Roanoke, Lynchburg, Blacksburg, and Martinsville housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Danville area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the six primary themes arising from public discussion at the forum.

Six Major Themes and Associated Issues Identified at the Roanoke Forum

1. The availability of affordable housing is very limited.

Priority Issues Identified by Forum Participants

- **The affordable housing stock is in poor condition.**

  Affordable housing is in substandard condition. The high cost of materials inhibits rehabilitation and repair. Some existing homes are deteriorating because owners do not have the financial resources for repair and maintenance, especially the elderly and others on fixed incomes. Many of these people live in older homes that require more costly repairs.

- **The gap between incomes and housing costs is growing.**

  People earning low wages or on fixed incomes have limited housing choices. High-value new construction is increasing the cost of housing for lower income individuals. Limited land available for development and rising real property taxes contribute to increased housing costs. In addition, upfront costs (such as deposits, advanced rents, etc.) hinder the working poor from finding suitable housing.

1. The availability of affordable housing is very limited.
(continued)

Related Issues Identified through Needs Analysis

- **The region's multifamily housing stock is aging.**

  During the 1990s, weak housing market conditions in the Danville area resulted in substantial increases in homeowner and rental vacancies. High rental vacancies and a very modest increase in renter households resulted in a low level of multifamily housing construction and an actual market-wide decline in total multifamily units. Consequently, the average age of the area's multifamily housing is rising and more rental units are in need of rehabilitation and repair. An aging housing stock, weak market demand and limited purchasing power, all feed the disinvestment cycle cited by forum participants, and partly explain their concerns regarding rental housing quality.

- **A number of factors cause concern about housing costs despite improved or stable overall affordability.**

  For the average Danville area household, both rental and homeownership housing are more affordable than for their counterparts in urban and rural markets in the northern and eastern regions of the state. The share of median income needed to afford a unit at the prevailing market rent is relatively low, due to comparatively low rent levels.

  For homebuyers, affordability has held steady since 1990. Although average home prices have increased at a rate nearly 12 percentage points higher than the increase in area income, this has been fully offset by declining interest rates. A high usage of manufactured homes has also helped support continued single-family affordability.

  Nonetheless, low-income households that do not live in assisted housing continue to face challenges in affording housing. Unassisted rental housing in the Danville area remains unaffordable to the lowest income populations. The area has below average income growth and the highest poverty rate of any urban market.

  There has been only a limited increase in the area's overall homeownership rate. In the City of Danville, home-ownership has declined. There continue to be wide disparities in homeownership rates between non-Hispanic Whites and minorities, and the disparities are increasing—especially for Hispanics. The Danville market has a very high minority

1. The availability of affordable housing is very limited.
(continued)

share of population. Homeownership rates for minorities declined sharply during the 1990s at a time when the entire increase in area population was among minorities.

One factor impacting affordability is household composition. During the 1990s, virtually the entire increase in households was made up of single-persons and non-married households with children. A large majority of the latter are single parents with one income. Generally, single-income households are more challenged in affording housing than are households with two incomes.

2. Rental properties are deteriorating and disincentives exist for maintenance and repair.

Priority Issues Identified by Forum Participants

- **Rental properties are deteriorating.**

Some landlords, especially absentee landlords, do not care if buildings deteriorate. There are limited laws to hold property owners accountable and few staff to enforce codes and regulations. Some landlords and renters may not be aware of their rights, responsibilities, and obligations. Some renters do not care if buildings deteriorate and those that do care have no other alternatives.

- **There are disincentives to investment.**

It is sometimes more financially beneficial for owners of rental properties in cities to make cosmetic repairs and leave properties vacant than bear the repair and management costs of renting their property. Local property taxes favor deferred maintenance on rental properties.

- **Housing disinvestment is hurting neighborhoods.**

Poorly maintained rental properties negatively impact surrounding areas, reduce the incentive for other owners to invest in maintenance, and have negative impacts on the neighborhood such as increased crime and sanitation problems. Vacant and abandoned properties are difficult to upgrade or replace at a reasonable cost.

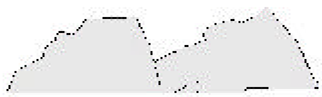
Related Issues Identified through Needs Analysis

- **Poverty is concentrated in the City of Danville.**

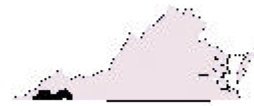
Concentration of poverty reduces neighborhood purchasing power and feeds the cycle of disinvestment and

2. Rental properties are deteriorating and disincentives exist for maintenance and repair. (continued)	housing deterioration cited as serious concerns by forum participants. Danville City has a high level of poverty and a disparity between its poverty rate and that of the total market area that, while less than in the other small metropolitan areas, is still significant. In addition, minorities and assisted housing are also concentrated in Danville City. The mobility of low-income people is restricted by the more limited affordable housing choices in suburban locations. This perpetuates the existing concentration of poverty.
3. Demand for housing for people with special needs is increasing.	**Priority Issues Identified by Forum Participants** • **The need for transitional and long-term housing is increasing.** Hospital and rehabilitation discharge policies are increasing the number of low-income people with disabilities who are in danger of becoming homeless. This includes people with mental or physical disabilities, seniors, and others whose caregivers are aging or have passed away. Quality assisted living options are needed for the disabled with access to support system programs and services.
4. Housing policies impact the affordability and supply of housing.	**Priority Issues Identified by Forum Participants** • **Government policies limit housing choices.** Local governments do not view housing needs as a priority. There is a perceived disinterest at the local, state, and national level in providing policy and financial resources that promote affordable housing, such as adequate/proper zoning laws and building codes. Local governments are not motivated to disperse low-income housing throughout the region because it is cheaper and easier to cluster. Zoning laws prevent manufactured housing development and institute excessive hidden housing costs such as lateral utility hookups and fees. • **There is a dichotomy between the housing needs of low-income people and the interests of developers and local governments.** The profit motivation of developers and landlords, and local governments' need to balance revenues and service costs, frequently diverge from the need of low-income people for decent, safe, and affordable housing.

5. People in need are not always aware of or in a position to take advantage of available options for assistance.	**Priority Issues Identified by Forum Participants** • **Consumers are unaware of available options.** Some potential first time homebuyers are unfamiliar with the home buying process or are not sure they can take on the responsibility of homeownership. New homeowners are not always aware of their rights and responsibilities as owners or what is required for adequate maintenance and repair. • **Credit and financial counseling are needed.** Many individuals do not understand the importance of their credit rating and do not do a good job managing their finances. Education is needed—starting while people are still in school—that will provide knowledge on basic budgeting and life skills. Training and support is needed on checkbook balancing, money management, and credit counseling.
6. Greater flexibility is needed within program guidelines.	**Priority Issues Identified by Forum Participants** • **Program guidelines are too restrictive.** The description of "family" according to VHDA guidelines creates serious problems in providing housing finance to low-income households. Approval guidelines are too strict and complicate the process. Credit rules do not take into account the financial difficulties within the low-income community. Flexible programs are needed for the elderly and disabled.



Kingsport-Bristol Market Area (Virginia portion)



Core Locality: Bristol City

Surrounding Localities: Scott and Washington Counties

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Abingdon on March 13, 2001 to solicit public input on housing needs and priorities in the far Southwest area of Virginia. Over 60 persons participated in small, facilitated discussion groups at the forum representing housing needs and interests in the Kingsport-Bristol, Cumberland Plateau, and Southern Blue Ridge housing market areas.

The forum largely focused on housing issues and priorities in the rural areas of Southwestern Virginia. The discussion of rural concerns clearly pertained to Scott County and to much of Washington County. However, there was relatively little discussion of issues and needs in the urbanized portion of the Bristol area. Available quantitative information indicates conditions and trends in that portion of the market share similarities to the Roanoke and Danville areas. The following are summaries of the priority issues identified by participants at the Abingdon forum. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forum.

Four Major Themes and Associated Issues Identified at the Abingdon Forum

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development.

Priority Issues Identified by Forum Participants

- **The existing housing stock is in poor condition.**

  There is a shortage of safe, decent, affordable housing. Much of the available housing stock is in poor condition, lacking complete indoor plumbing or having other substantial rehabilitation needs. Too many seniors and persons on fixed incomes live in substandard housing. They often lack the resources for repair, maintenance, and property taxes. Most of the available housing stock will not meet FHA guidelines for purchase. There is a need for additional financial resources for comprehensive repair, maintenance, and weatherization programs.

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development.
(continued)

- **There is a shortage of rental units.**

  There is a shortage of decent, affordable rental units. Upfront money required to move into rental housing is a barrier.

- **Affordable housing is in limited locations.**

  Individuals and families receiving subsidies often cannot find housing where they would prefer to live because of a shortage of suitable options. People wishing to live in rural areas, away from small cities and towns, have limited housing choices due to the difficulties in providing affordable housing units in low density areas.

- **Environmental constraints add to housing costs.**

  There is a shortage of land available and suitable for development. Steep slopes add to development costs, including the costs for wells and septic systems. Alternative wastewater treatment systems are costly and limited in their application. Flat land is often in or near the flood plain, which increases insurance costs.

- **Absence of public water and sewer service limits development options.**

  Public water and sewer service does not extend into developable land and the cost of installation is high. There is a shortage of developable lots available and high utility and construction costs limit affordability. The annexation moratorium inhibits the development of new housing opportunities.

- **Government policies add to housing costs and restrict new development.**

  Zoning restrictions prohibit the development of affordable housing, especially restrictions on manufactured housing. Housing is not always a high priority for state and federal government officials. There is a need to view housing in rural areas as economic development. There is currently no systematic and planned approach for the delivery of housing services.

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development.
(continued)

Related Issues Identified through Needs Analysis

- **The region's multifamily housing stock is aging.**

  During the 1990s, relatively weak rental housing demand resulted in increased rental vacancies. This contributed to low multifamily housing construction and the lack of any market-wide net increase in multifamily units. Consequently, the average age of the area's multifamily housing is rising and more rental units are in need of rehabilitation and repair. An aging housing stock, weak market demand and limited purchasing power, together contribute to the poor quality housing conditions cited by forum participants.

- **Bristol is more reliant on manufactured housing units than any other urban market area except Martinsville.**

  Manufactured homes accounted for over half the increase in single-family housing during the 1990s. As a result, the area is now more reliant on manufactured homes than any other urban market except Martinsville. In 2000, over 20 percent of the total units in the region were manufactured homes (over 2.5 times the state average). This reflects the greater affordability of manufactured units to area residents who have lower incomes than households in most other urban areas. It also reflects the major barriers identified by forum participants to developing affordable site-built units in the outlying portions of the region. Given the relatively high level of use of manufactured homes in the region, the concerns expressed at the forum regarding zoning restrictions can be assumed to apply either to specific areas of the region or to difficulty in siting manufactured homes in preferred locations.

- **The area has large numbers of deep subsidy units, but they are highly concentrated in Bristol City.**

  Nearly 20 percent of all renter households in the Bristol area have access to deep rental subsidies. The area's ratio of 193 deep subsidy rental units per 1000 renter households is second only to the ratio in the Cumberland Plateau, and is by far the highest of any urban market area in Virginia. However, deep subsidy units are not evenly distributed rela-

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development. (continued)

tive to need. Deep subsidy units remain highly concentrated in Bristol City, even though there was no net increase in the City's multifamily housing stock during the 1990s, and a significant increase in multifamily units in Scott and Washington Counties. The relative concentration of deep subsidy units in the core locality is the highest for any metropolitan market area in the state. This partly explains concerns expressed by forum participants about the limited choice of location available to housing subsidy recipients, in particular the lack of options in outlying areas.

2. Poor economic conditions limit housing choices.

Priority Issues Identified by Forum Participants

- **The gap between wages and housing costs is increasing.**

The difference between what people can earn and what people have to pay for housing is increasing in the region. There are many working poor who do not have sufficient job security to buy a home. In addition, the region is losing young people because of the lack of job opportunities.

Related Issues Identified through Needs Analysis

- **The Bristol area has fared better economically than many of the rural communities in Southwest Virginia, but it still experiences low income and high poverty.**

During the 1990s, the Bristol area along with the rest of Southwest Virginia, experienced much slower growth in jobs than did the state as a whole. Job growth was just 64 percent of the statewide rate. Nevertheless, unemployment in the market area remained low in comparison to adjacent rural market areas, and per capita income increased at a higher rate than the statewide average, in comparison to sluggish income growth in rural areas. The growth in per capita income in the Bristol area was over 50 percent greater than in the Southern Blue Ridge and more than 140 percent of growth in the Cumberland Plateau.

Nevertheless, per capita and area median income remain low, and the area has a very high rate of poverty. Weak purchasing power impairs the ability of households to afford adequate housing, and helps explain the area's relatively high ratio of deep subsidy rental units per 1000 renter

2. Poor economic conditions limit housing choices.
(continued)

households—a ratio that is higher than in any other urban market. Also, from 1990 to 2000, there was a two percent decline in households with children, partly as a result of out-migration from the region. This contributed to a large drop in average households size from 2.51 in 1990 to 2.32 in 2000 (the lowest of any market area in the state). Changes in household composition, along with weak purchasing power, led to relatively weak home purchase demand and a limited increase in the area's overall homeownership rate.

- **A number of factors cause concern about housing costs despite improved or stable overall affordability.**

For the average Bristol area household, both rental and homeownership housing are more affordable than for their counterparts in urban and rural markets in the northern and eastern regions of the state. The share of median income needed to afford a unit at the prevailing market rent is relatively low, due to comparatively low rent levels.

For homebuyers, affordability has held steady since 1990. Although average home prices have increased at a rate nearly seven percentage points higher than the increase in area income, this has been fully offset by declining interest rates. The high usage of manufactured homes has also helped support continued single-family affordability.

Nonetheless, low-income households that do not live in assisted housing continue to face challenges in affording housing. The area has low income and the second highest poverty rate of any urban market. Unassisted rental housing in the Bristol area remains unaffordable to the lowest income populations. The situation is most difficult for low-income families due to the area's declining ratios of total assisted and deep subsidy rental family units per 1000 non-elderly renter households. Although the area has relatively less concentration of poverty in its core locality than other metropolitan markets, it has the highest concentration of minorities and deep subsidy units.

There has been only a limited increase in the area's overall homeownership rate. One bright spot is the City of Bristol where—in contrast to the trend in most other metropolitan core localities—the overall homeownership rate increased significantly. However, there continue to be wide

2. Poor economic conditions limit housing choices. (continued)

disparities in homeownership rates between non-Hispanic Whites and minorities, and the disparities are increasing—especially for Hispanics.

One factor impacting affordability is household composition. During the 1990s, there was a decline in the total number of households with children. A large share of the increase in households was made up of single-persons and non-married households with children. A large majority of the latter are single parents with one income. Generally, single-income households are more challenged in affording housing than are households with two incomes.

3. Special needs housing and support services are needed.

Priority Issues Identified by Forum Participants

- **Increased collaborative efforts are needed.**

  There is limited collaboration among partners to develop housing for special needs populations, especially the elderly and the mentally ill. Incentives are needed to support the development and maintenance of housing for those with special needs. Supplemental Security Income (SSI) payment levels are too low and those with limited incomes cannot afford adequate housing.

- **More transitional housing and support services are needed.**

  There is insufficient transitional housing. Case management assistance is needed for individuals in housing transition to increase their success rate in breaking the cycle of dependence. This needs to include financial counseling and education on affordable financing alternatives.

- **There are few accessible housing choices.**

  More housing is needed for people with disabilities. Communication with builders and elected officials is needed regarding the needs of this segment of the population.

4. The administration of policies, programs, and regulations is not coordinated and responsive to needs.

Priority Issues Identified by Forum Participants

- **Program guidelines preclude some needs.**

  Block grant regulations prohibit funding for rehabilitation projects on scattered sites, but not all deteriorated housing in rural areas is in neighborhoods. There is a perception that Community Development Block Grant and HOME funds

4. The administration of policies, programs, and regulations is not coordinated and responsive to needs. (continued)

are being used disproportionately in urban areas. On-site water and sewer is difficult to obtain for some people, because perk tests, drilling, and other related costs, cannot be included in the appraisal fee. Deed restrictions required by the Indoor Plumbing-Rehabilitation program are a problem.

- **Access to financing is not always available.**

  Criteria for financing a home discourage homeownership among low-income persons and families. More needs to be done to provide workable financing for low- and very low-income families. Sometimes it is difficult to find individuals who fit all of the guidelines, the process takes a long time, it is difficult to find comparables for an appraisal, and cap limits on sales price withhold housing stock. Income guidelines can restrict home buying and rehabilitation projects. Down payment and closing cost requirements and the need for a good credit history inhibit some people from obtaining homeownership.

- **Balanced and continuous funding is needed.**

  There is a need for balanced and continuous funding from all levels of government. There is a perception of a bias toward urban versus rural funding assistance, entitlement versus non-entitlement communities, and metropolitan versus non-metropolitan areas.

- **Consumer awareness and assistance are inadequate.**

  More education is needed concerning how to buy a house and available programs for assistance. Realtors and lenders need to increase their knowledge and advocacy.

- **Greater coordination of services is needed.**

  There is a need to better coordinate services and forge greater cooperation among all the parties involved to make homeownership available to more people. There is a fragmented delivery system and a multiplicity of agencies and programs that must be brought together in order to address housing needs. There is little understanding of the array of available services, as no one agency or organization has overall knowledge of what is available or responsibility for putting the pieces together.

Conditions and Trends Impacting Housing Needs, 1990-2000

This section compares key conditions and trends impacting housing needs in the six small metropolitan areas of Virginia. It looks only at those factors for which market-specific data is available and for which trends and conditions differ meaningfully from those that prevail statewide. Therefore, it is more abbreviated than the broader review provided in Part I—Statewide Overview.

Small Metropolitan Housing Markets

Roanoke

- **Core Locality:** Roanoke City
- **Surrounding Localities:** Botetourt, Craig and Roanoke Counties; Salem City

Fredericksburg

- **Core Locality:** Fredericksburg City
- **Surrounding Localities:** Spotsylvania and Stafford Counties

Lynchburg

- **Core Locality:** Lynchburg City
- **Surrounding Localities:** Amherst, Appomattox, Bedford and Campbell Counties; Bedford City

Charlottesville

- **Core Locality:** Charlottesville City
- **Surrounding Localities:** Albemarle, Fluvanna, Greene and Nelson Counties

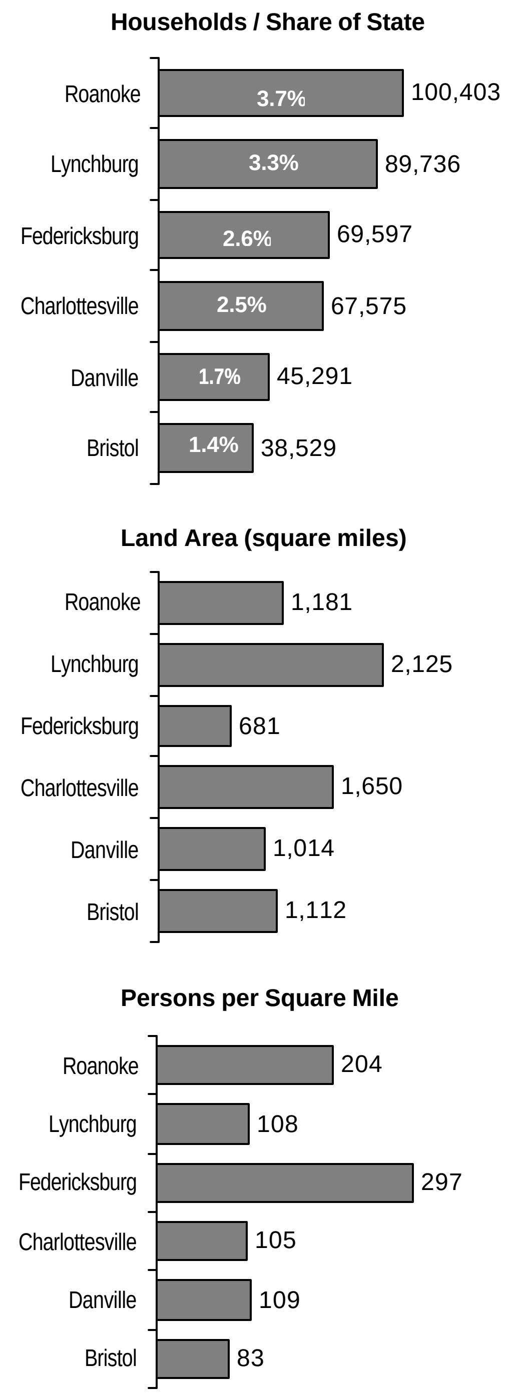
Danville

- **Core Locality:** Danville City
- **Surrounding Locality:** Pittsylvania County

Kingsport-Bristol (Virginia portion)[2]

- **Core Locality:** Bristol City
- **Surrounding Localities:** Scott and Washington Counties

Market Area Characteristics: 2000



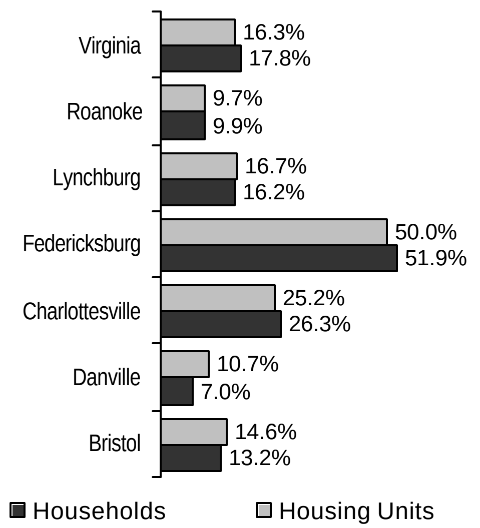
Source: Table 2A and U.S. Census Bureau

[2] Throughout this report, all references in the text and charts to the "Bristol" area refer to the Virginia portion of the Kingsport-Bristol market.

Growth in Households and Housing

Household growth differed significantly among the small metropolitan markets.

Change in Households and Housing: 1990-2000



Source: Tables 1 and 2A

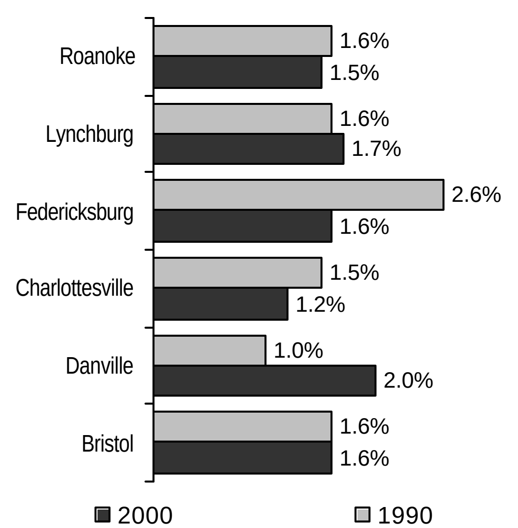
During the 1990s, there was considerable variation in the rate of household growth in the small metropolitan areas. In the north central portion of the state, household growth in the Fredericksburg and Charlottesville areas was above the statewide average. Fredericksburg[3] continued to be the Commonwealth's fastest growing market area with household growth over three times the statewide level. In the south central and western regions, there was much slower growth in the Lynchburg, Roanoke, Danville and Bristol areas where growth fell short of the statewide level (Table 2A).[4]

There were also differences in the balance of housing supply and demand.

The two rapidly growing markets—Fredericksburg and Charlottesville—have experienced slower growth in housing than in households. As a result, both markets are experiencing reduced homeowner and rental vacancy rates. Low vacancies are a particular problem in the Charlottesville market, which was already tight in 1990.[5]

In contrast, Fredericksburg had a relatively high homeowner vacancy rate in 1990. Since then, there has been a large decline, but so far the homeowner vacancy

Homeowner Vacancy Rate: 1990 and 2000



Source: Table 2B

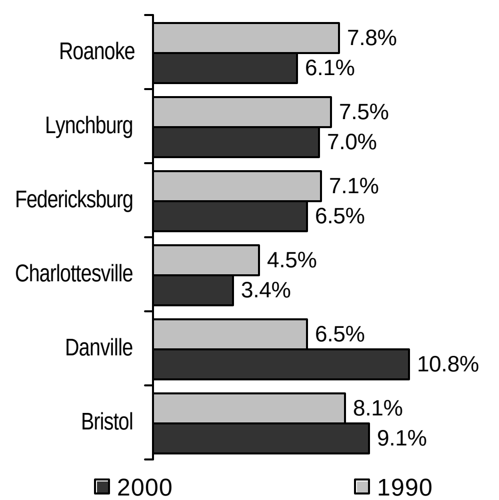
[3] The Fredericksburg market is one component of the much larger Washington-Baltimore urban region. Until recently, the Fredericksburg area has been classified as a suburban portion of what is now the Washington-Arlington market because of the substantial share of workers commuting to jobs in that area. Currently, the Fredericksburg area has achieved a sufficient internal employment base to be recognized as a separate urban market within the highly inter-dependent Washington-Baltimore region, under the recently adopted revised federal standards for defining metropolitan areas.

[4] Data tables are at the end of each part of the report.

[5] A large number of second homes (e.g., at Wintergreen) inflate the total housing count, thereby masking the true size of the housing production shortfall.

rate has fallen only to about the norm for other market areas. Likewise, in 1990, Fredericksburg's rental vacancy rate was much higher than Charlottesville's. So far, reduced rental vacancies in Fredericksburg have not resulted in the tight market conditions experienced in Charlottesville.

Rental Vacancy Rate: 1990 and 2000



Source: Table 2B

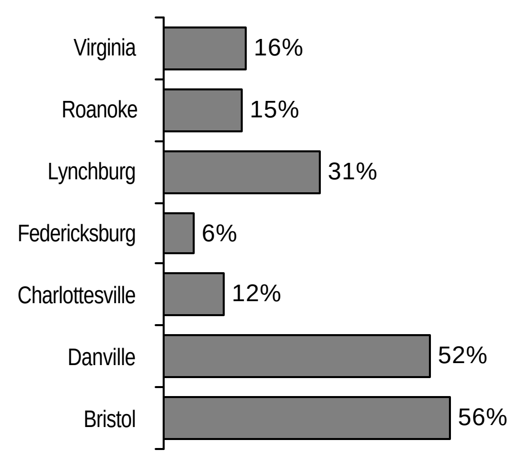
In most of the slower growing areas, (i.e., Lynchburg, Danville and Bristol) the increase in housing units has exceeded household growth. Vacancy rates have increased in these markets, except in Bristol where the homeowner vacancy rate has held steady, and in Lynchburg where there has been a decline in rental vacancies.[6] The jump in vacancies has been especially large in Danville, where the housing stock has grown much more rapidly than households.

An exception to the overall pattern is the Roanoke area where growth rates were slow but household growth exceeded the rate of increase in housing by a small amount. The Roanoke area has experienced declines in both homeowner and rental vacancy rates (Tables 1, 2A and 2B).

The markets with adequate single-family home development all had a high use of manufactured homes.

The three small metropolitan markets in which homeowner vacancy rates held steady or increased—Lynchburg, Danville and Bristol—all had substantial use of manufactured homes. In these three markets, manufactured homes represented from nearly a third to over half of the net increase in single-family homes between 1990 and 2000. In Fredericksburg and Charlottesville, where homeowner markets significantly tightened, the use of manufactured homes was well below the statewide level (Table 1).

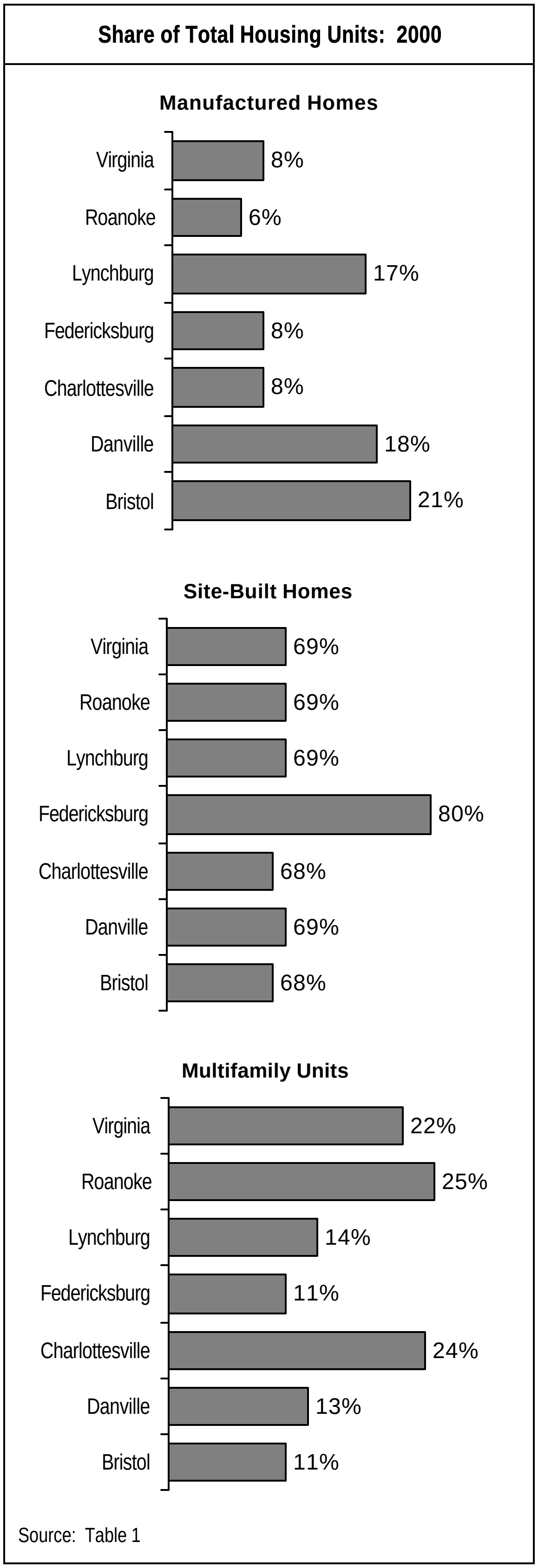
Manufactured Homes Share of Net Increase in Single-Family Housing Units: 1990-2000



Source: Table 1

In the Lynchburg, Danville, and Bristol areas, the substantial market penetration of manufactured homes during the 1990s has resulted in manufactured units now comprising a significant share of the total housing stock. In those markets, manufactured homes now represent between one in five and one in six housing units.

[6] Second-home development (e.g., at Smith Mountain Lake) inflates Lynchburg's total housing unit count.



In the Roanoke, Fredericksburg and Charlottesville markets, manufactured homes represent a similar share of total units as they do statewide. All of the small metropolitan areas have a comparable share of single-family detached units as the state, with the exception of Fredericksburg where single-family site-built homes predominate.

Most small metropolitan areas have a much lower share of multifamily units than Virginia as a whole.

Generally, there is a relationship between population density and the share of multifamily units. Most of the small metropolitan areas have a much lower share of multifamily units than does the state. The two exceptions are Roanoke and Charlottesville. Roanoke is the largest of the six market areas and has a share of multifamily units more comparable to the large metropolitan markets. Charlottesville has a large share of multifamily units as a result of rental housing demand generated by the University of Virginia (Table 1).

The small metropolitan areas experienced similar patterns of single-family and multifamily growth.

All of the small metropolitan markets had much larger increases in single-family units than multifamily units. This was the same pattern experienced statewide, and reflected the strong demand for home purchase generated by demographic trends and declining interest rates.[7]

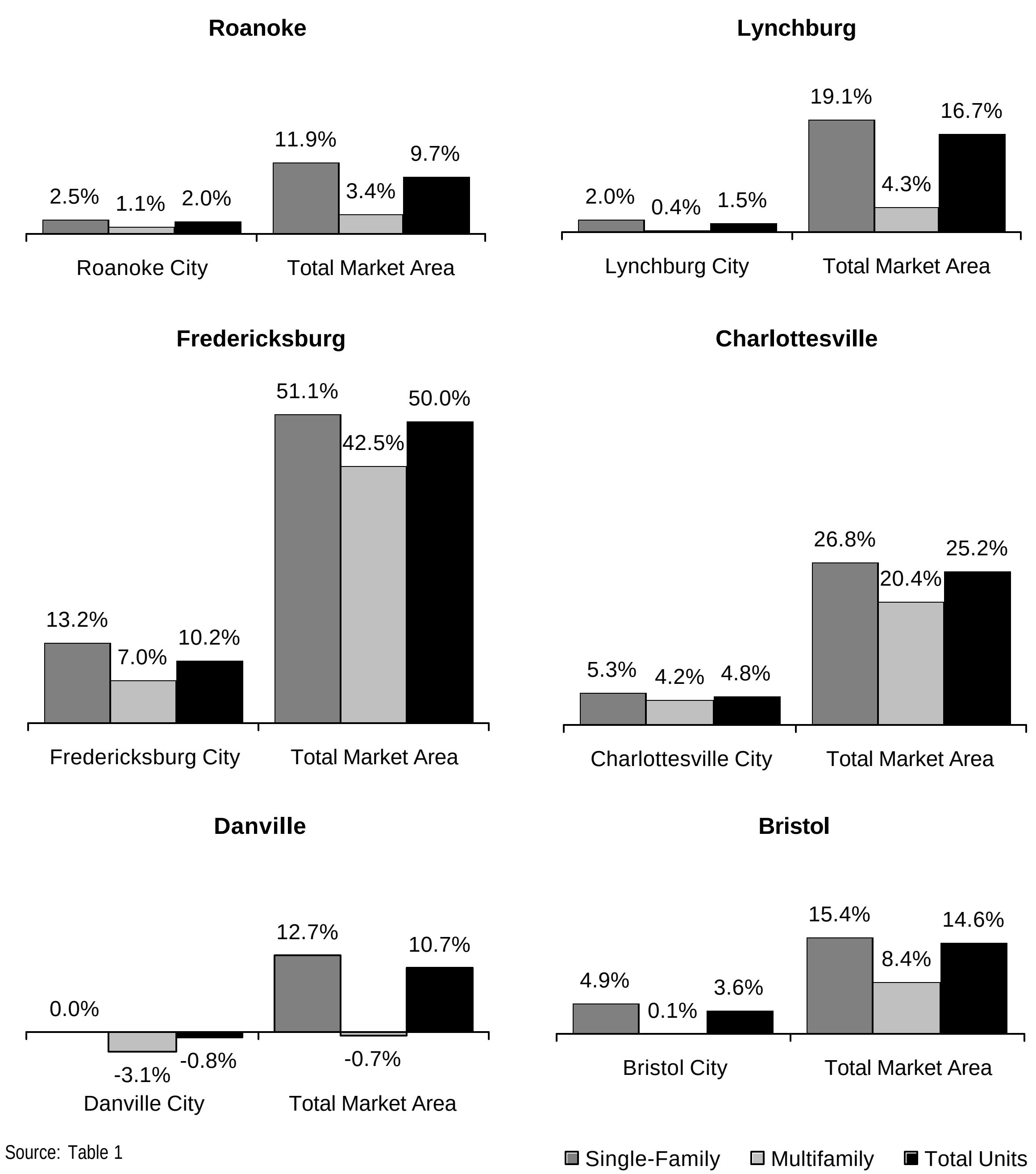
Housing stock changes partly reflect differential levels of in-migration.

Generally, the disparity between single-family and multifamily growth rates was

[7] See Part I for an overview of demographic and economic trends.

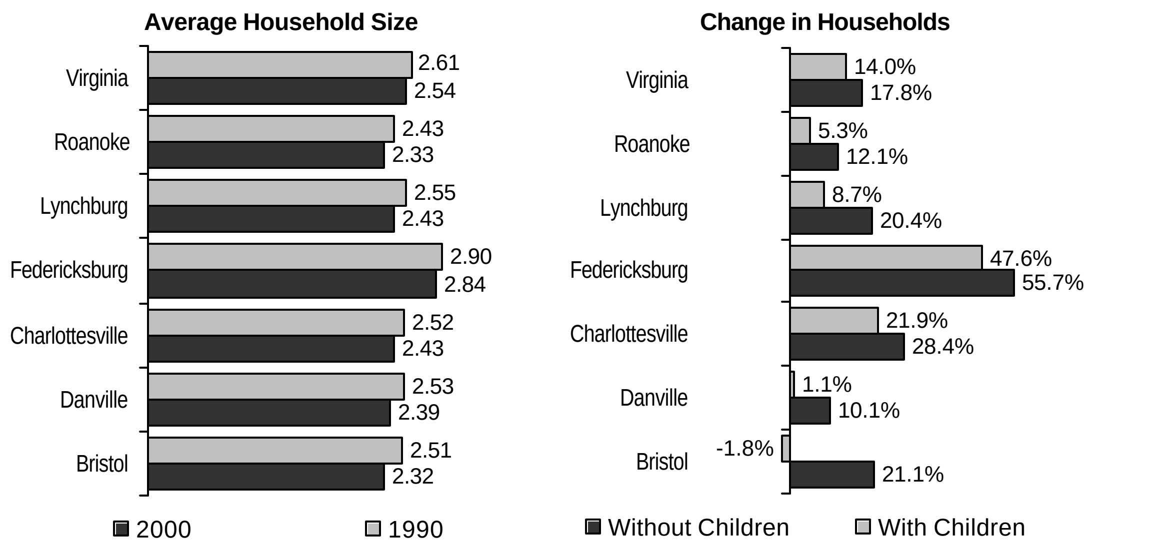
smallest in the fast growing markets and largest in the slower growing markets. These differences were due in part in-migration. Fast growing areas with high levels of net in-migration tend to have higher numbers of renter households as newcomers often rent for a period before settling into home-ownership. In contrast, slow growing areas with net out-migration tend to lose more renters (who can more easily move) than homeowners and, therefore, tend to have weaker rental demand.

Estimated Change in Housing Stock by Type of Structure: 1990-2000



Source: Table 1

Changes in Household Size and Composition: 1990-2000



Source: Table 7

Housing stock changes also reflect shifts in household composition.

The Bristol area experienced a decline in households with children, and had an increase in childless households that was above the statewide average. These two trends contributed to an average household size that is the smallest of any market area in Virginia (Table 7). In all Virginia market areas, childless households have far lower homeownership rates than do households with children. These demographic trends contributed to a larger increase in multifamily housing in the Bristol area than was experienced in the other small metropolitan markets with below-average household growth.

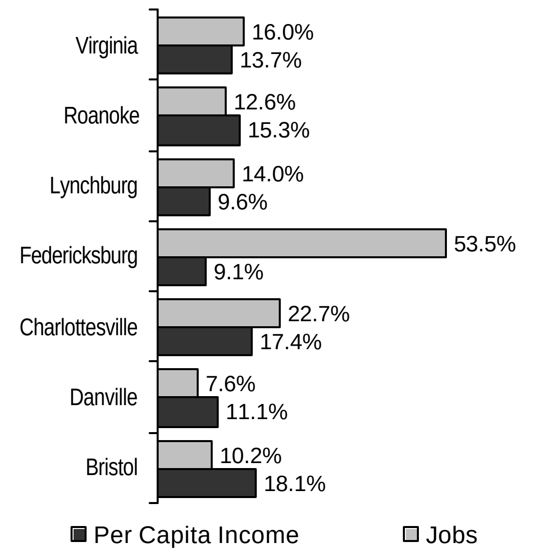
In the Fredericksburg market, average household size declined, yet remained the highest of any market area in the state. In Fredericksburg, the share of households with children is over 45 percent, compared to between 30 and 34 percent of households with children in the other small metropolitan housing markets. This helped support the very high share of single-family units in the Fredericksburg area.

Income and Purchasing Power

Generally, job growth has mirrored household growth.

Generally, the pattern of job growth in the six small metropolitan areas has mirrored the increase in households. During the 1990s, the Fredericksburg and Charlottesville areas had rates of job growth in excess of the statewide level, while the increase in jobs lagged behind the state rate in the other small metropolitan markets. The lag was moderate in the Roanoke and Lynchburg areas, and substantial in the Bristol and Danville markets (Table 4). The growth rate in jobs was less than half the state average in Danville. In contrast, job growth rate in the Fredericksburg area was over three times the statewide average.

Growth in Jobs and Real Per Capita Income: 1990-1999



Source: Table 4

Changes in per capita income followed different patterns.

Fredericksburg experienced the smallest increase in per capita income in spite of the area's extremely rapid household and job growth. This is likely due to a number of factors, including the area's very high average household size, which reduces income measured on a per capita basis. In addition, Fredericksburg has attracted firms seeking a lower cost location within the larger Washington-Baltimore urban region. Many new facilities are back-office operations that pay relatively lower wages.

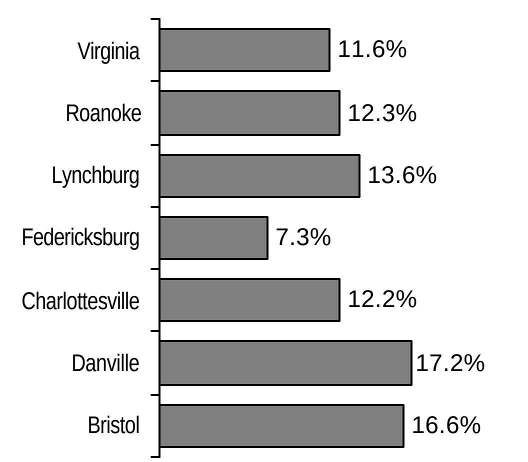
Differential income growth in other markets has been due to a variety of factors. In Roanoke, Charlottesville, and Bristol, per capita income has grown faster than the statewide average. In Roanoke, this can be attributed in part to declining household size, and jobs growth that has exceeded household growth. In Charlottesville, new higher paying jobs have contributed to strong increases in per capita income, while in the Bristol area, sharply declining household size has been an important factor.

In addition to Fredericksburg, Lynchburg and Danville have also had lagging rates of per capita income growth. In Danville, the lower rate of income growth has been due to weak overall growth and economic conditions. In Lynchburg, household growth has exceeded job growth and average household size is larger than in Roanoke, Danville or Bristol.

Poverty rates in the small metropolitan markets vary based on trends in jobs and income.

Poverty rates in the small metropolitan areas have correlated with growth in jobs and income as well as the level of per capita income. In 1997, the Fredericksburg area, which had extremely strong job growth and a greater increase in jobs than households, had a very low poverty rate in spite of per capita income and income growth that lagged behind statewide levels. Roanoke and Charlottesville, which had per capita incomes just below the statewide average and above-average increases in income, had

Poverty Rate: 1997



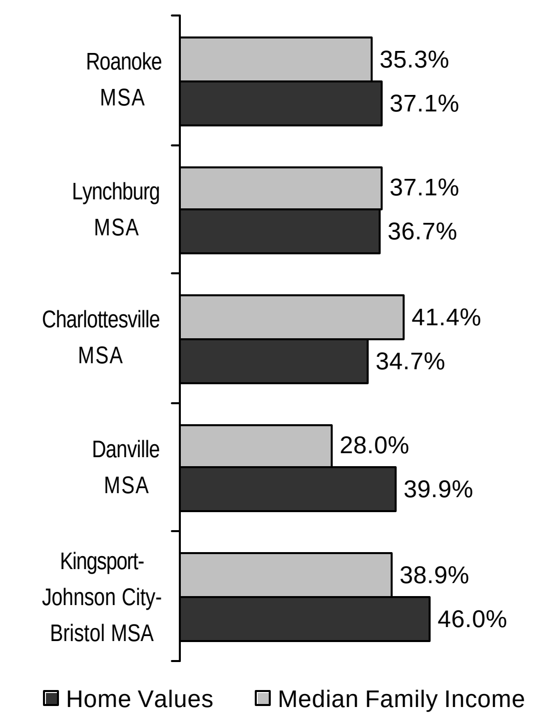
Source: Table 5

poverty rates slightly above the statewide average. Lynchburg, which had per capita income less than 80 percent of the statewide average and below-average income growth, had a poverty rate moderately above the statewide level. Finally, Danville and Bristol, which had per capita incomes of just 70 percent of the statewide average, had poverty rates well above the statewide rate.

Housing Affordability

In several areas, home appreciation has outpaced growth in income, but falling interest rates have sustained affordability.

Change in Median Family Income and Home Values, Virginia: 1993-2001



Source: Table 9C

Following the initial recovery from the 1990-91 recession, home purchases grew in response to pent-up demand and increased buying power generated by falling interest rates. In most of the small metropolitan housing markets, inflation-adjusted home price increases equaled or exceeded growth in median family income. This was especially true in the Kingsport-Johnson City-Bristol MSA, where there was a considerable increase in inflation-adjusted home prices between 1993 and 1997. Nevertheless, the decline in interest rates was sufficient to fully offset the impact of appreciation on home affordability. Inflation-adjusted home prices declined in the Charlottesville MSA between 1993 and 1997 so that the affordability of homes improved considerably (Table 9C).[8]

Beginning in 1997, the rate of economic and income growth accelerated in the small metropolitan markets. From 1997 to 2001, income growth matched or exceeded home appreciation in the Roanoke, Lynchburg and Kingsport-Johnson City-Bristol MSAs. However, strong home appreciation outpaced income growth in the Charlottesville and Danville MSAs.

For the entire period of 1993 to 2001, home price appreciation exceeded income

[8] The Office of Federal Housing Enterprise Oversight (OFHEO) measures changes in single-family home prices over time in metropolitan housing markets using an extremely large database on home sale activity provided by Fannie Mae and Freddie Mac. This data is used to derive an index of average price changes in repeat sales and refinancings on the same properties. This is the most reliable data on real changes in home appreciation over time. It was not possible to re-aggregate published OFHEO data to directly correspond to the market areas used in this report. Therefore, data in Table 9C is reported for metropolitan statistical areas (MSAs). In most cases, these areas sufficiently correspond to the metropolitan market areas used in this report for the data to accurately reflect trends. One exception is the Fredericksburg market, which is on the fringe of the Washington DC area and represents a relatively small part of the overall MSA. Metropolitan-wide averages are unlikely to be representative of the Fredericksburg market. Therefore, data for the Washington DC MSA is not used as a proxy for Fredericksburg.

growth in the Roanoke, Danville and Bristol MSAs, while in the Charlottesville and Lynchburg MSAs, income growth has exceeded rising home prices.

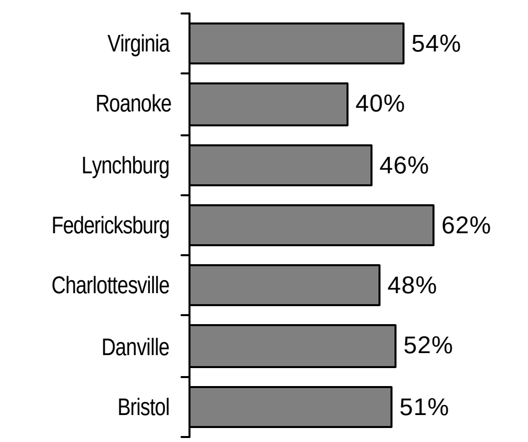
Rental affordability appears to have increased for most households.

Available data suggests that inflation-adjusted rents were either stable or falling during the early and middle 1990s. This trend has continued since 1997, with most small metropolitan areas experiencing further declines in inflation-adjusted "Fair Market Rents" (FMRs) as determined by HUD (Table 9A).[9] The lone exception is the Fredericksburg area, which had a rise of over four percent in inflation-adjusted FMRs between 1997 and 2001. Yet, even in Fredericksburg, the growth of income has outpaced the increases in rents.

Despite overall increases in affordability, most low-income households still cannot afford adequate housing.

The housing affordability standard established by the federal government is payment of no more than 30 percent of gross income for rent and utilities. Using this standard, a lower share of median income is needed to afford a standard apartment in most small metropolitan markets than in the state as a whole. The one exception is Fredericksburg, where rent affordability is well below the statewide level (Table 9A). Nevertheless, a majority of low-income households cannot afford housing at prevailing market rents.

Minimum Income Needed to Afford a Standard One-Bedroom Rental Unit as a Share of Area Median Income: 2001



Source: Table 9A

The minimum income needed to afford adequate rental housing in small metropolitan markets ranges from 40 to 62 percent of median income for a one-bedroom unit, from 41 to 56 percent of median income for a two-bedroom unit, and from 43 to 64 percent of median income for a three-bedroom unit (Table 9A).[10]

Rental affordability is highest in the Roanoke area, which has median income

[9] Rental affordability is difficult to measure at the local level due to the limited availability of comprehensive and timely data on rental rates for specific housing markets. The one available statewide measure of prevailing local rent levels is "Fair Market Rents (FMRs)" which are established annually by HUD based on surveys of actual rents being charged in the marketplace. While useful, FMRs are imperfect measures. The methodology for determining FMRs has changed over time, making it difficult to accurately compare changes in rents between 1990 and 2000. Nevertheless, available data show a general pattern of increased affordability over the past decade. HUD figures for the Washington DC MSA have been adjusted to reflect conditions in the Fredericksburg portion of that market.

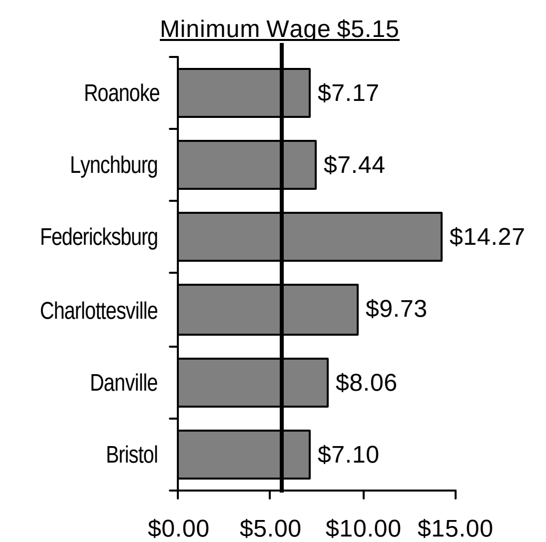
[10] Estimates are based on current HUD "Fair Market Rents" and HUD estimates of median family income adjusted for family size. The following household sizes were used to estimate the percent of area median income for units of various bedroom sizes: one-person household for a one-bedroom unit; three-person household for a two-bedroom unit; and a five-person household for a three-bedroom unit.

that is 88 percent of the statewide level, but rents that are just two thirds of the state average. Affordability is lowest in the Fredericksburg area, which has median income that is nine percent above the statewide level, but rents that are 23 percent above the state average.

The gap between the cost of adequate housing and the resources of the lowest income populations is large.

The lowest income populations—homeless people, people with disabilities, seniors depending primarily or exclusively on Social Security income, and minimum wage workers—all experience a large gap between their limited incomes and the cost of adequate rental housing. Rent and utilities for a one-bedroom apartment in small metropolitan areas range from 72 percent of income to 140 percent of income for a disabled person living on Supplemental Security Income (SSI). The Full-time hourly wage needed to afford a one-bedroom unit at prevailing market rents ranges from $7.10 in Bristol, to $14.27 in Fredericksburg. These earning levels are well above the current minimum wage of $5.15. In Fredericksburg, nearly thee full-time minimum wage incomes are needed to afford a one-bedroom unit (Table 9B).

Full-Time Hourly Wage Needed to Afford a One-Bedroom Rental Unit: 2001

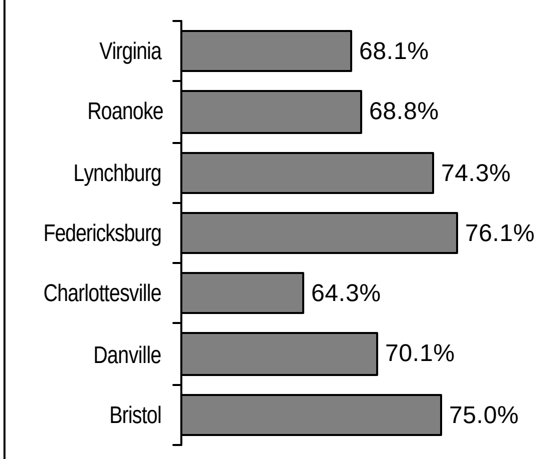


Source: Table 9A

Homeownership

In most areas, the rise in homeownership was lower than in the state as a whole.

Homeownership Rate: 2000

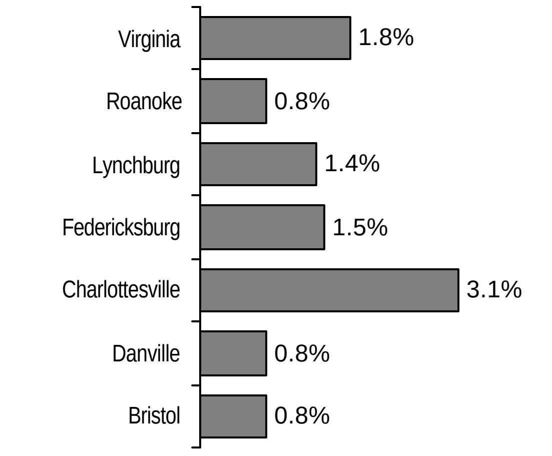


Source: Table 3A

Homeownership in small metropolitan areas is generally high. With the exception of Charlottesville, which has a large student renter population, small metropolitan areas have homeownership rates above the statewide average. Homeownership rates are especially high in Lynchburg, Fredericksburg, and Bristol where approximately three quarters of households own a home (Table 3A).

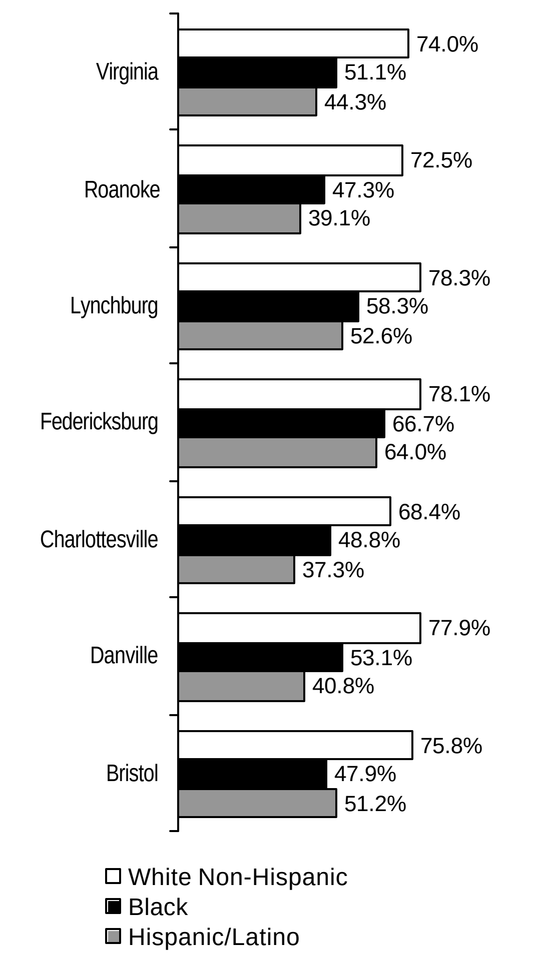
All markets except Charlottesville had smaller increases in homeownership than the state as a whole. This was partly due to demographic trends (i.e., declining share of

Change in Homeownership Rate: 1990-2000



Source: Table 3A

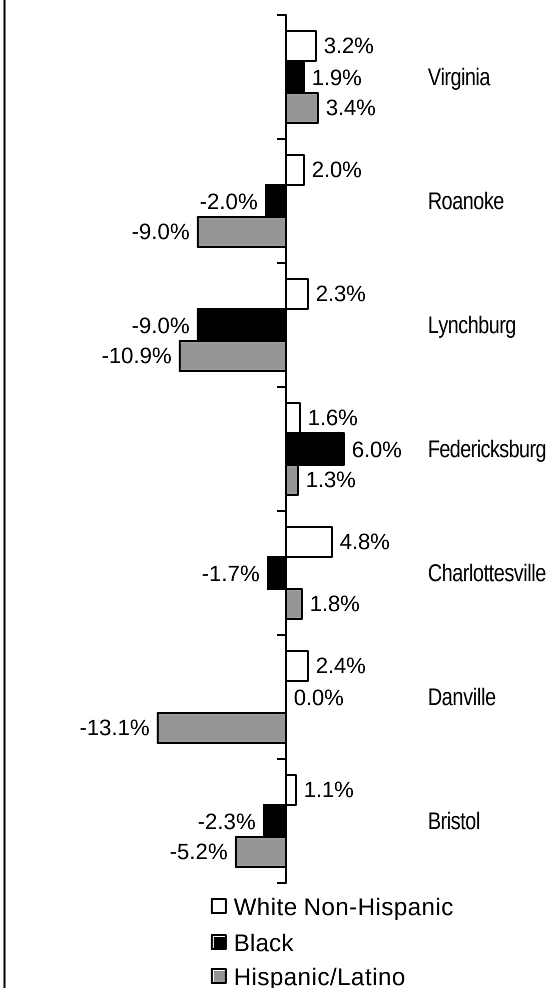
Homeownership Rate by Race and Ethnicity: 2000



Source: Table 3D

households with children) and partly to greater appreciation of home prices relative to incomes than in the large metropolitan areas. The Charlottesville area experienced stronger income growth and less home appreciation than did other small metropolitan markets. Charlottesville also had a larger increase in households with children than any market except Fredericksburg.

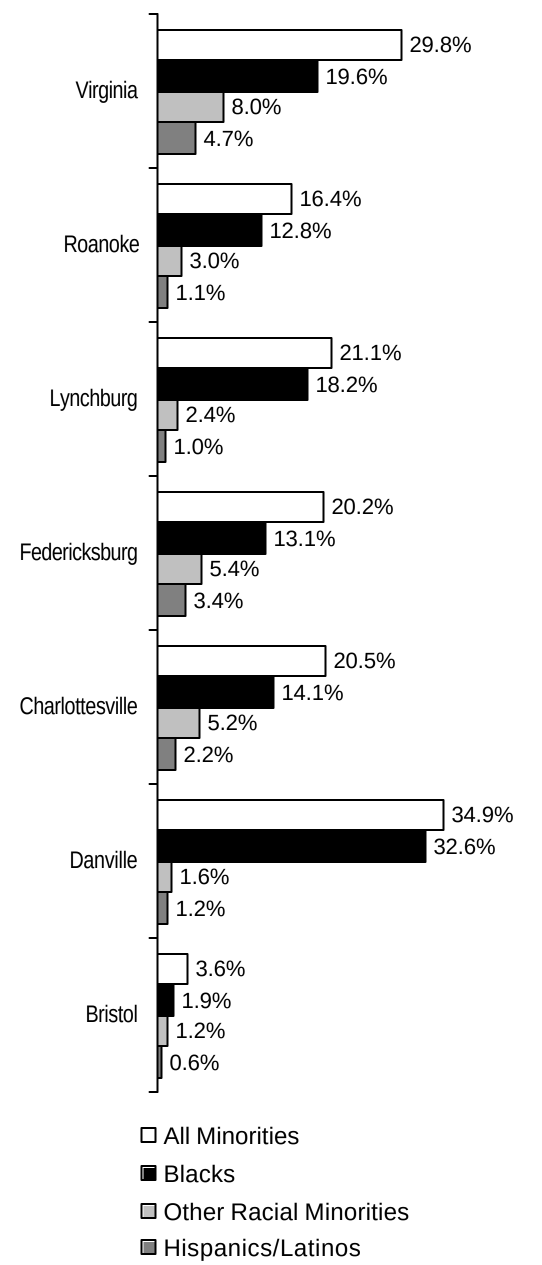
Percentage Point Change in Homeownership Rate by Race and Ethnicity: 1990-2000



Source: Table 3D

Note: Separate data for Asians for 1990 is not readily available. The comparisons shown in this chart provide only an approximate picture of actual changes. Data for 1990 and 2000 are not fully comparable due to separate counting for people of mixed race in 2000.

Racial Minorities as a Share of Population: 2000



Source: Table 8

Note: Other races include persons of mixed race.

In most markets, homeownership fell for Blacks and Hispanics.

Homeownership rates increased for non-Hispanic Whites in each of the small metropolitan markets, but declined for Blacks and Hispanics in most markets. As a result, the large disparities in the homeownership rates for non-Hispanic Whites and minorities have increased. This trend is particularly evident for Hispanics, who have experienced considerable declines in their rate of home-ownership in most small metropolitan areas.

A notable exception is the Fredericksburg market. The increase in Black home-ownership in the Fredericksburg area has been considerably larger than for non-Hispanic Whites. Hispanic homeownership has also increased in Fredericksburg albeit at a slightly lower rate than for non-Hispanic Whites (Table 3D).

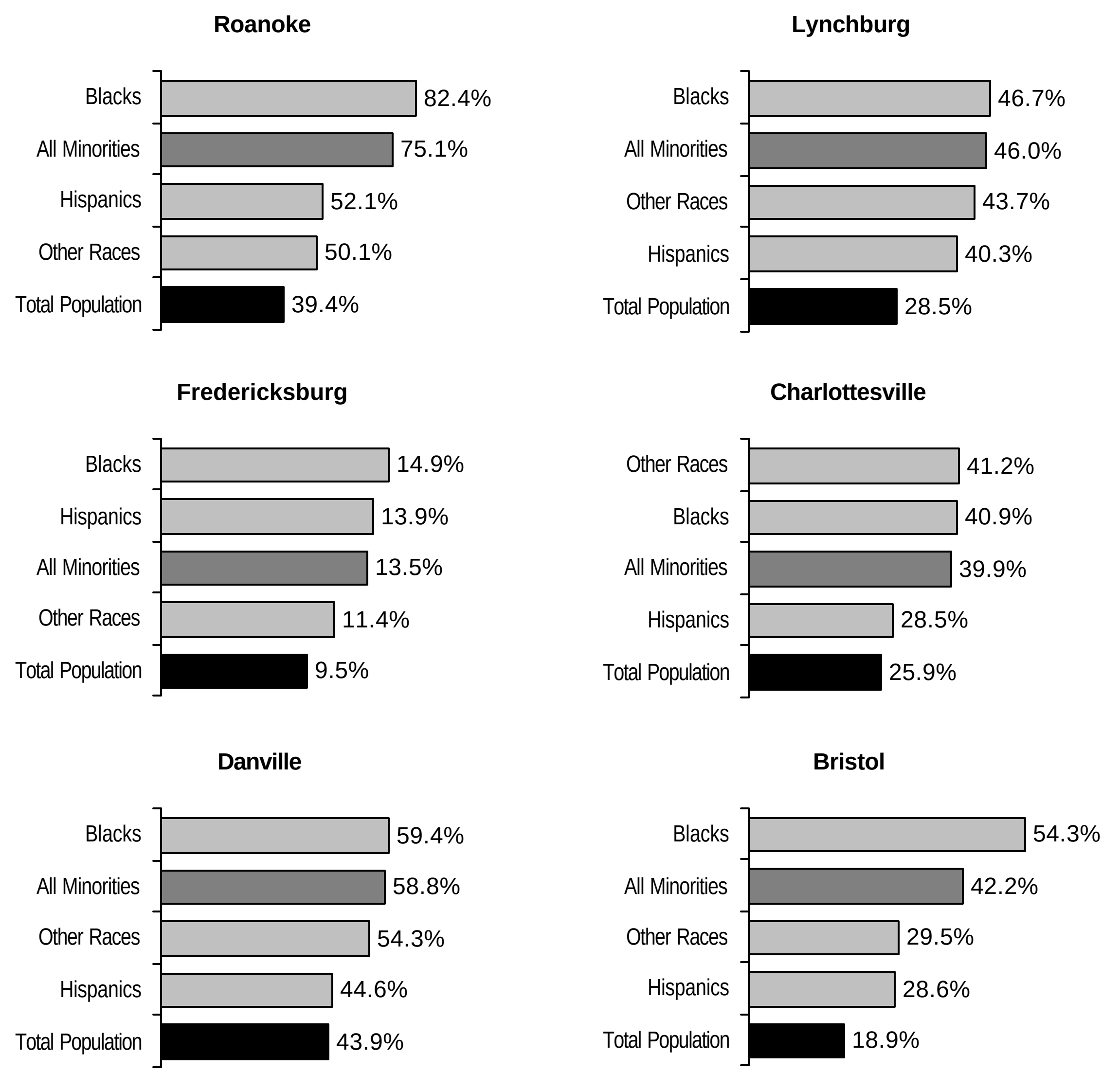
Disparities in minority homeownership rates impact overall homeownership levels.

All of the small metropolitan areas except for Bristol have significant minority populations. Therefore, the wide disparities in homeownership among racial and ethnic groups impact overall homeownership levels. Fredericksburg and Charlottesville are the most diverse. Roughly a third of total minorities in those markets are non-Black. Danville is the least diverse of markets with a significant share of minorities. Ninety-three percent of minorities in the Danville are Black (Table 8).

Minority groups are still concentrated in the core localities of the market areas.

Racial and ethnic minorities continue to concentrate in the core localities of the small metropolitan markets. In all six markets, the core locality's share of the market area's minority population is significantly higher than its share of total market area population. Minorities are most concentrated in the core locality in the Bristol market, where Bristol City has 2.2 times the share of area minorities as it does of total area population.

Core Locality Share of Total Population and Minority Group Population of the Market Area: 2000



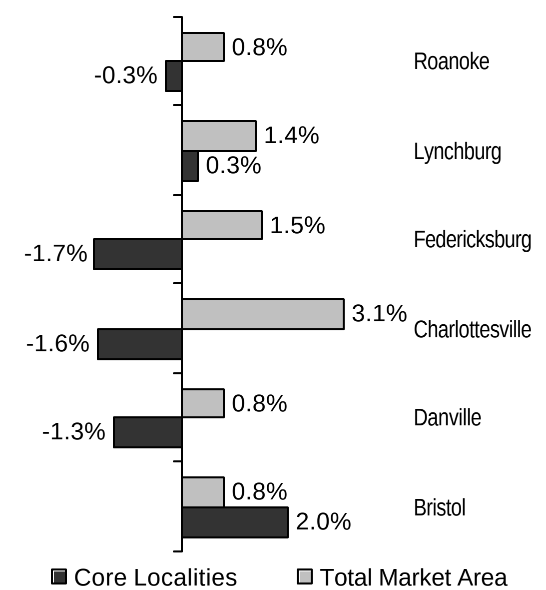
Source: Table 8

Minorities are least concentrated in the Danville market, where Danville City has a share of area minorities that is 1.3 times higher than its share of total area population. In all market areas except Charlottesville, Blacks are the minority group most concentrated in the core locality. In Charlottesville, the concentration of other racial minorities, is due to the large student population at the University of Virginia (Table 8).

Racial/ethnic disparities and minority concentration caused homeownership to lag in core localities.

The wide disparities in homeownership rates between minorities and non-Hispanic Whites impacted the overall homeownership rate in core localities. Whereas the homeownership rate increased in the six market areas as a whole, the homeownership rate fell in the cities of Roanoke, Fredericksburg, Charlottesville and Danville. Lynchburg City had a modest increase in the homeownership rate, but its increase lagged well behind the increase in the overall market area. The one notable exception was the Bristol area, where Bristol City had a large increase in its homeownership rate that significantly exceeded the increase in the overall market area.

Percentage Point Change in Homeownership Rate: 1990-2000



Source: Table 3A

Federal and State Project-Based Rental Assistance

Lower interest rates and subsidy funds spurred the construction and rehabilitation of low-income rental units.

During the 1990s, lower interest rates and assistance provided through the federal Low-Income Housing Tax Credit and Rural Housing Service (RHS) Section 515 programs stimulated considerable rental housing investment in small metropolitan areas. Nearly 4,200 low-income rental units were built or rehabilitated using Low-Income Housing Tax Credits. A substantial number of additional low-income units received direct assistance through the RHS Section 515 program, VHDA's Virginia Housing Fund, the state's Virginia Housing Partnership Fund, allocation by DHCD of federal HOME funds, the HUD Section 202 program, and various other federal and state programs.

Total units receiving federal and state assistance did not reflect the real net increase in affordable rental housing.

A share of the multifamily housing receiving federal and state assistance were existing low-rent developments that received new assisted financing in order to be retained in the affordable housing inventory. The assistance to these developments made a significant contribution toward preserving the quality and affordability of the low-income rental housing stock, but it did not increase the overall supply of affordable units.

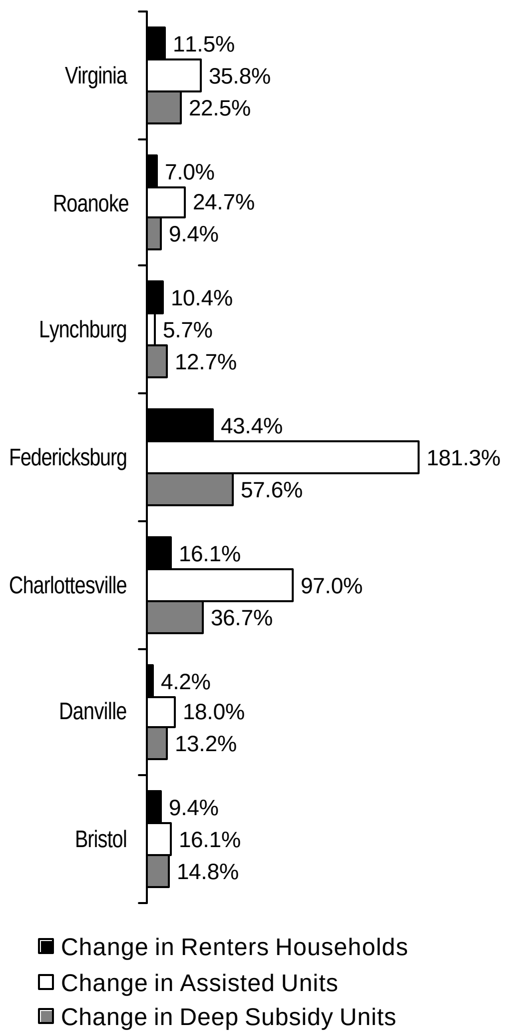
Few units were removed from the inventory of low-income rental housing.

Relatively few affordable units were removed from the inventory of assisted rental housing in small metropolitan areas during the 1990s (Table 11). The one exception was the Fredericksburg area where the 202 units lost represented 18 percent of the 1990 assisted rental inventory. The units lost were the result of prepayments and opt-outs of developments assisted through HUD subsidy programs, the disposition of troubled HUD properties, or the demolition of older deteriorated and obsolete housing.

Small metropolitan areas had a large net increase in low-income rental housing.

During the 1990s, the inventory of federal and state assisted low-income rental housing in small metropolitan markets had a

Change in Renter Households and Federal and State Assisted Rental Units: 1990-2000



Source: Tables 3A, 10A and 10B

net increase of nearly 4,400 units (41 percent) from just over 7,900 units in 1990 to over 10,600 units in 2000. This trend is continuing with over 1,300 net additional assisted units either already on-line, under development, or with federal and state assistance approvals so far this decade (Tables 10A and 10B).[11]

In most areas, the net increase in total assisted units far exceeded growth in renter households.

The increase in total assisted units greatly exceeded the rate of growth in renter households in most small metropolitan markets. The one exception was the Lynchburg area where the growth in assisted units was roughly half the increase in renters (Tables 3A, 10A and 10B).

The net increase in deep subsidy units also greatly exceeded renter household growth.

There was a very large increase in RHS Section 515 units with rental assistance contracts. In many cases, existing Section 515 units received rental assistance for the first time as a result of project preservation financing. This contributed to an increase in deep subsidy units that exceeded renter household growth in every small metropolitan market (Tables 3A, 10A and 10B).

During the 1990s, there were some reductions in disparities among markets in total assisted family units.

A comparison of ratios of total assisted family units per 1000 non-elderly renter households in 1990 and 2000 shows some overall reduction in the disparities among small metropolitan markets. In particular, the Charlottesville area made progress in narrowing the large disparity between its ratio and the ratios in other small metro-

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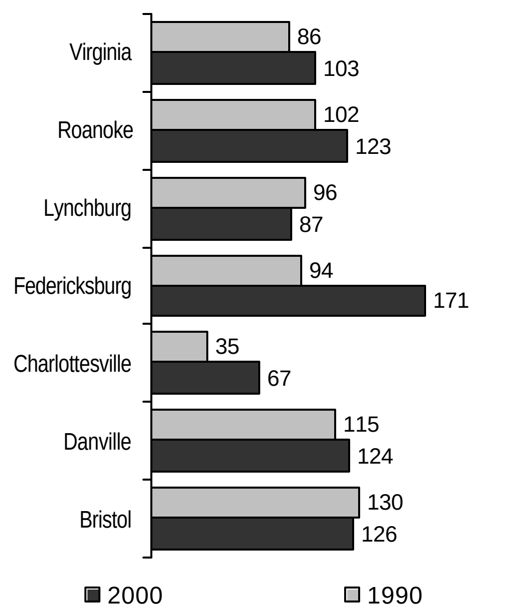
[8] This inventory includes family and independent living elderly developments receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing receiving federal HOME and CDBG funds through local governments.

politan markets.[12] In contrast, the Lynchburg area lost ground due to its low increase in assisted rental units. The Fredericksburg area had an extremely large increase in assisted multifamily developments. This created a large new disparity between its increased ratio of assisted family units and the ratios in other markets (Table 10A).

Ratio of Federal and State Assisted Rental Family Units per 1000 Non-Elderly Renter Households

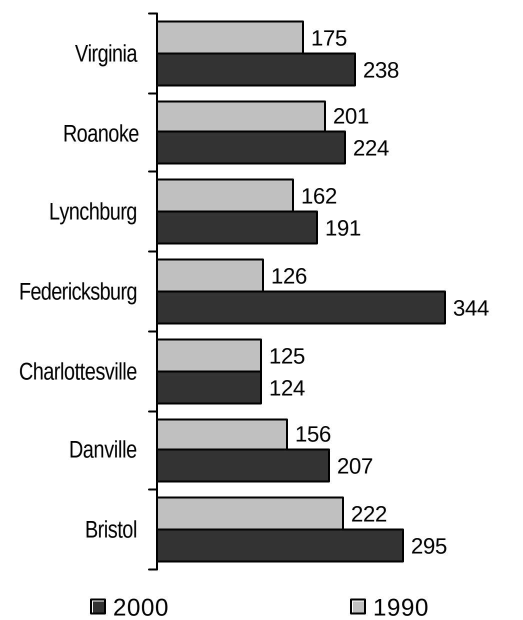


Source: Table 10A

Disparities among markets in assisted elderly units remained largely unchanged.

For elderly housing, there was not a similar leveling of market area disparities in the ratios of assisted units per 1000 elderly renter households. The two lagging market areas in 1990 had opposite experiences. Charlottesville experienced no progress during the 1990s and, thereby lost ground relative to other markets. In contrast, Fredericksburg experienced considerable development of assisted elderly housing, which pushed its ratio of assisted elderly units per 1000 elderly renter households far above other markets (Table 10B).

Ratio of Federal and State Assisted Rental Elderly Units per 1000 Elderly Renter Households



Source: Table 10B

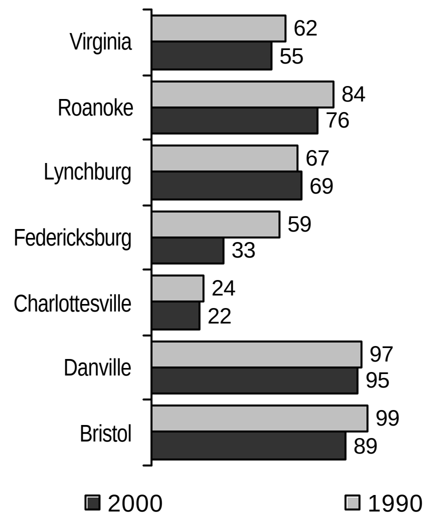
Note: Includes households aged 65 and older and rental units intended for elderly occupancy. Low-Income Tax Credit elderly projects allow occupancy by persons as young as age 55, and deep subsidy projects allow occupancy by persons as young as age 62.

There has also been little change in regional disparities in deep subsidy units.

The overall pattern of disparities among markets in the number of deep subsidy rental units per 1000 renter households generally mirrors that for total assisted units. An exception is Fredericksburg, which had considerable development of assisted family and elderly units during the 1990s, but lost ground in the availability of deep subsidy units. This was due to the lack of RHS Section 515 development as well as the loss of units through prepayments and opt-outs.

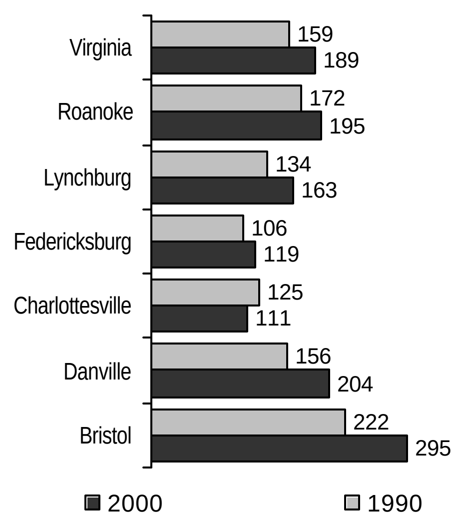
[12] Charlottesville's relatively low ratio of assisted family units per 1000 non-elderly renter households is partly due to Charlottesville's large student renter population which substantially increases the total number of non-elderly renter households.

Ratio of Federal Deep Subsidy Family Units per 1000 Non-Elderly Renter Households



Source: Table 10A

Ratio of Federal Deep Subsidy Elderly Units per 1000 Elderly Renter Households



Source: Table 10B

Note: Includes households aged 65 and older and rental units intended for elderly occupancy. Deep subsidy elderly projects allow occupancy by persons as young as age 62.

The Charlottesville and Fredericksburg areas both have wide disparities with other small metropolitan markets in the availability of deep subsidy rental units, even though households with the lowest incomes experience a much larger gap between income and rents in those markets than in other small metropolitan areas.[13]

Deep subsidy units disproportionately serve elderly renters.

All small metropolitan markets have ratios of deep subsidy elderly units per 1000 elderly renter households that are considerably higher than the ratio of deep subsidy family units per 1000 non-elderly renter households. The differential is lowest in Danville, where the ratio of deep subsidy elderly units per 1000 elderly renter households is twice the ratio of deep subsidy family units per 1000 non-elderly renter households. The differential is greatest in Charlottesville, where the ratio of deep subsidy elderly units per 1000 elderly renter households is five times the ratio of deep subsidy family units per 1000 non-elderly renter households.

Federal Tenant-Based Deep Rental Subsidies

There was wide variance among small metropolitan markets in the increase in tenant-based deep rental subsidies.

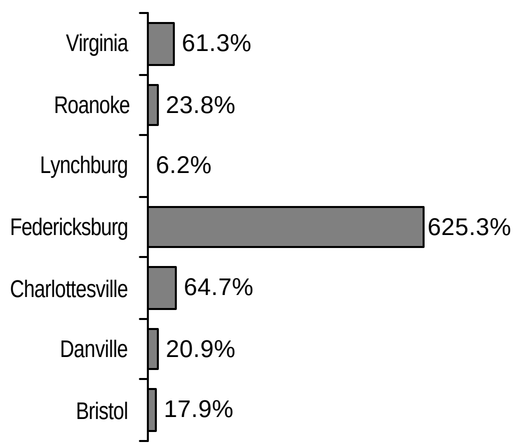
During the 1990s, the number of units with deep federal tenant-based subsidies[14]

[13] Charlottesville's relatively low ratio of deep subsidy family units per 1000 non-elderly renter households is partly due to area's large student renter population which substantially increases the total number of non-elderly renter households.

[14] Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2) separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.

increased by over 1,600 (37 percent). This gain was substantial, and far exceeded the seven percent gain in project-based deep subsidy units. Nonetheless, in most markets, the increase in tenant-based deep rental subsidies was substantially below the statewide gain. Only the Charlottesville and Fredericksburg areas' increases were above the state average. The percentage gain in the Fredericksburg area was extremely large, but it was exaggerated by the relatively small number of tenant-based units in that market in 1990. In addition, Fredericksburg has had a substantial number of project-based units converted to tenant-based assistance as a result of the prepayment of HUD-assisted mortgages (Table 10C).

Change in Federal Tenant-Based Deep Rental Subsidy Units: 1990-2000

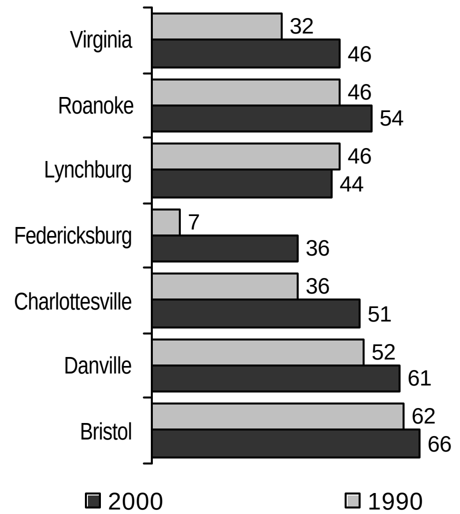


Source: Table 10C

Market area disparities in tenant-based deep subsidies have been reduced.

In 1990, there were wide disparities among small metropolitan areas in the ratio of tenant-based deep subsidy units per 1000 renter households. Those differences were significantly reduced by 2000 as a result of the large increases in tenant-based units in the Charlottesville and Fredericksburg areas.

Ratio of Federal Tenant-Based Deep Rental Subsidy Units per 1000 Renter Households

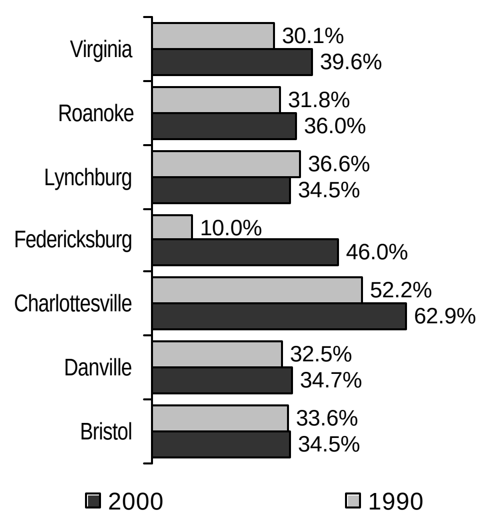


Source: Table 10C

In most small metropolitan areas, there has been an increase in the tenant-based share of total deep subsidy rental units.

All markets except Lynchburg have had an increase in the tenant-based share of total

Tenant-Based Units as a Share of Total Deep Subsidy Rental Units



Source: Table 10C

deep subsidy units. In most markets, the share is comparable to the statewide average. The exceptions are Fredericksburg and Charlottesville where large increases in tenant-based units have left those areas more reliant on tenant-based assistance than is the case statewide (Table 10C). This poses challenges for both areas due to current conditions in their rental markets. The Fredericksburg area has a relatively small share of multifamily units. Both markets have experienced declining vacancy rates. In 2000, the rental vacancy rate in the Charlottesville area was especially low.

Increases in tenant-based subsidies have not reduced lengthy waiting lists for assistance.

In small metropolitan areas, there are lengthy waiting lists for subsidy assistance through the federal Housing Choice Voucher program. In recent years, increased appropriations for Housing Choice Vouchers have not reduced waiting lists for assistance. This reflects a number of factors including:

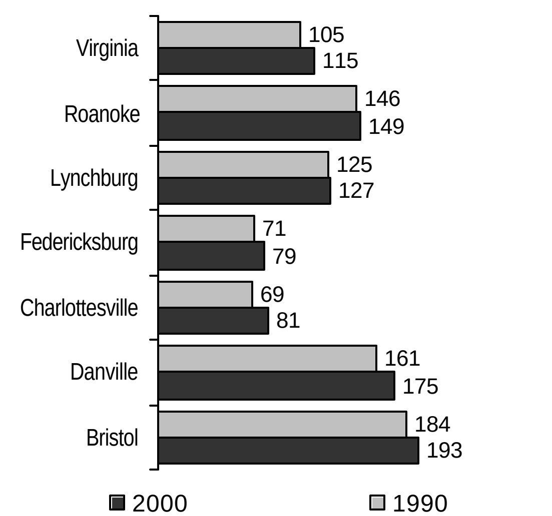
- growing need for deep subsidy assistance among the lowest income populations
- reduced landlord willingness to participate in the Housing Choice Voucher program in markets such as Charlottesville that have experienced tightening rental markets

Total Federal Deep Rental Subsidies

The lowest income households need deep housing subsidies.

The income of most people who depend on limited fixed benefits is so low that they cannot afford adequate housing without deep housing subsidies. The same is true for minimum wage workers for whom the gap between income and market rents is extremely large. These are the households that have not fully benefited from the considerable development of new assisted rental units through the federal Low-Income Housing Tax Credit program. Typically, their income is below 30 percent of area median—what HUD refers to as "extremely low" income. The overall availability of deep rental subsidies is the best measure of the degree to which the needs of these households are being met.

Ratio of Total Federal Deep Rental Subsidy Units per 1000 Renter Households



Source: Table 10C

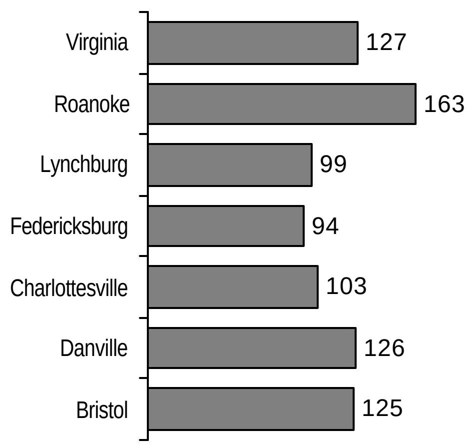
All small metropolitan markets had net gains in total deep subsidy rental units.

In all small metropolitan markets, the combined increase in project-based and tenant-based deep subsidy rental units exceeded the increase in rental households. As a result, the ratio of total deep subsidy units per 1000 renter households increased in all small metropolitan areas.

Existing disparities in total deep subsidy units have not changed.

The increases in all small metropolitan markets were moderate, and there was little change in the wide disparities between areas (Table 10C). The disparities in total deep subsidy units per 1000 renter households are particularly large between the markets with lower poverty rates (Fredericksburg and Charlottesville) and those with relatively high poverty rates (Danville and Bristol).

Ratio of Total Federal Deep Subsidy Units in 2000 per 1000 Persons in Poverty in 1997



Source: Tables 5 and 10C

If persons in poverty are the measure, then disparities with the state increase.

When a comparison is made of ratios of total deep subsidy units in 2000 to the number of persons in poverty[15] in 1997 (most recent data available), then a different picture emerges. The wide disparity between the high poverty and low/moderate poverty markets narrows considerably. However, the ratio in Roanoke becomes much higher than for all other small metropolitan markets.

[15] Poverty is measured in absolute dollar terms and does not reflect differences in cost of living in different geographic areas.

There are also differentials in housing costs relative to income among markets.

There is a larger absolute gap between housing costs and the resources of lower income people in the Fredericksburg and Charlottesville areas than in Danville and Bristol areas where poverty rates are higher. In the Fredericksburg and Charlottesville markets, there is a broader band of incomes requiring deep subsidy assistance in order to afford adequate housing.

More data is needed in order to measure absolute levels of unmet housing need.

Available data illustrate the significant changes that have occurred in the relative level of subsidy assistance among regions but cannot answer the question of how large unmet housing needs are in one area compared to another. Measurement of absolute levels of unmet needs must await the release of more detailed data from the 2000 Census on household income and the share of income expended for housing.

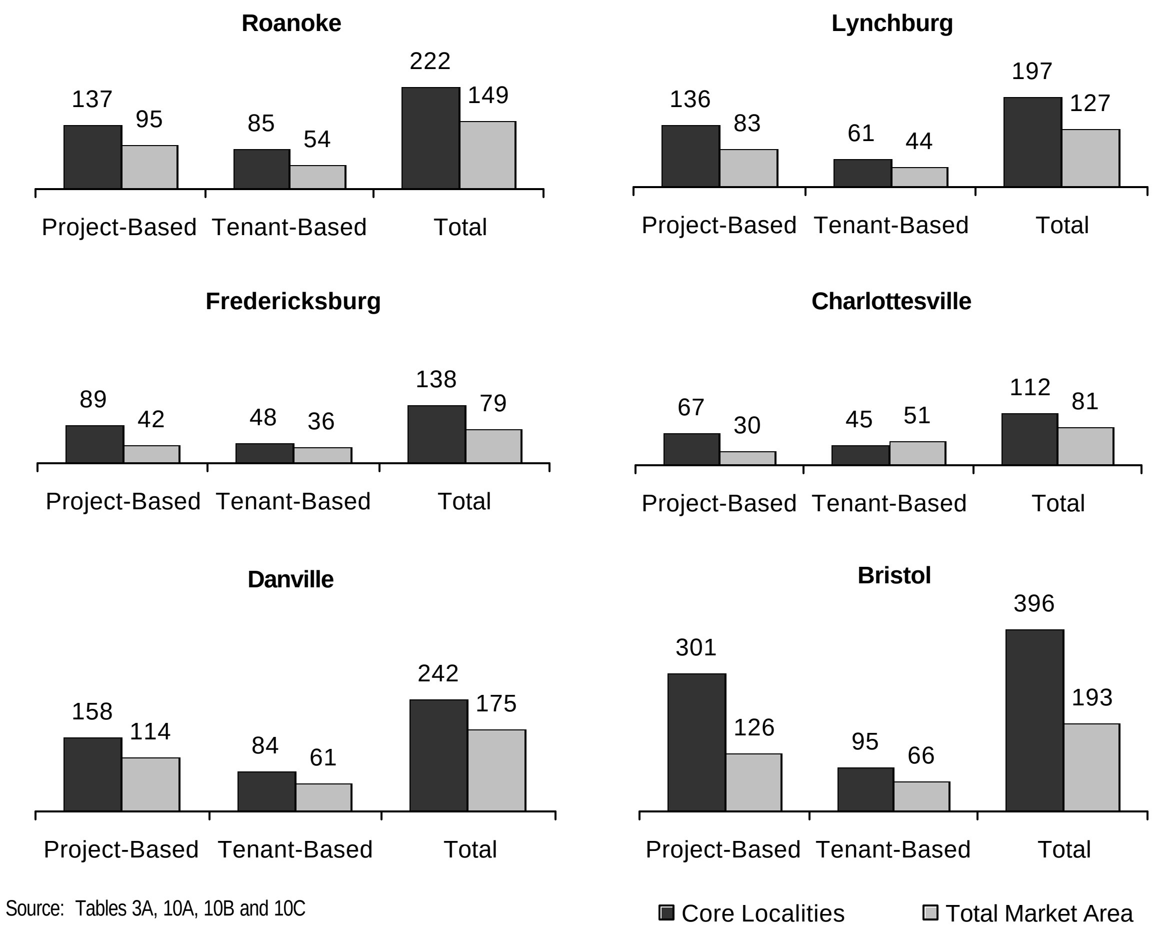
Intra-Market Distribution of Assisted Housing

The geographic distribution of deep subsidy rental units is similar in the six small metropolitan areas.

In all six small metropolitan areas, there is a clear concentration of deep subsidy units and households living in poverty in the core localities. The only exception is in the Charlottesville area, where there is a slightly lower ratio of tenant-based deep subsidy units in the core locality than in the market area as a whole.

The degree of concentration of deep subsidy units and poverty households varies

Ratio of Federal Deep Subsidy Rental Units per 1000 Renter Households: 2000

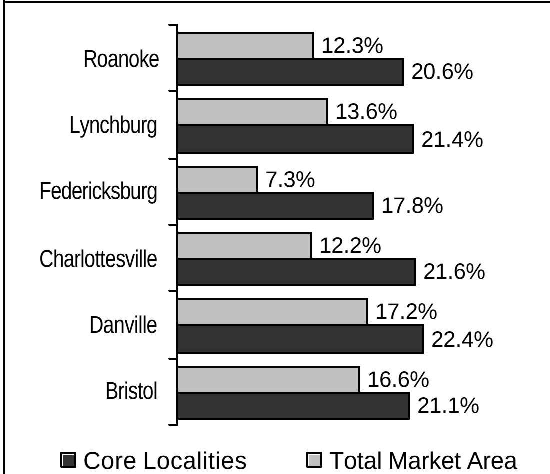


Source: Tables 3A, 10A, 10B and 10C

across the six markets. Deep subsidy units are most concentrated in the Bristol area where the ratio of total deep subsidy units per 1000 renter households in Bristol City is more than double the ratio for the total market area. Deep subsidy units are least concentrated in the Charlottesville and Danville markets where the ratios in Charlottesville City and Danville City are more than a third higher than the ratios for their total market area.

Poverty is most concentrated in the Fredericksburg area where the poverty rate in Fredericksburg City is nearly two and a half times the rate for the market area as a whole. Poverty is least concentrated in the

Poverty Rate: 1997



Source: Table 5

Bristol area where the poverty rate in Bristol City is just over a quarter higher than in the overall market area.

It is difficult to determine the extent to which the concentration of deep subsidy units in core localities is a cause or effect of the concentration of poverty. In either case, the concentration of assisted housing with deep rental subsidies in core localities contributes to the limited choice of housing location that very low-income households face.

Data Tables

Housing Stock

Estimated Distribution of Housing Units by Type

Table 1			Single Family Site-Built		Single Family Manufact.		Multifamily/Other		Total
			Number	Share	Number	Share	Number	Share	Units
Roanoke	Overall Market	1990	66,700	68%	5,200	5%	25,500	26%	97,500
		2000	74,000	69%	6,500	6%	26,400	25%	106,900
		Change	7,300		1,300		900		9,400
		1990-2000	11.0%		24.1%		3.4%		9.7%
	Core Localities	1990	26,800	60%	900	2%	16,600	37%	44,400
		2000	27,200	60%	1,200	3%	16,800	37%	45,300
		Change	400		300		200		900
		1990-2000	1.5%		30.6%		1.1%		2.0%
Lynchburg	Overall Market	1990	58,400	70%	12,200	15%	13,400	16%	84,000
		2000	67,700	69%	16,400	17%	14,000	14%	98,100
		Change	9,300		4,100		600		14,000
		1990-2000	15.9%		34.0%		4.3%		16.7%
	Core Localities	1990	17,500	64%	1,000	4%	8,700	32%	27,200
		2000	18,100	65%	800	3%	8,800	32%	27,600
		Change	600		-200		0		400
		1990-2000	3.2%		-18.9%		0.4%		1.5%
Fredericks-burg	Overall Market	1990	38,300	78%	4,900	10%	5,900	12%	49,100
		2000	59,000	80%	6,100	8%	8,500	11%	73,600
		Change	20,800		1,300		2,500		24,600
		1990-2000	54.3%		25.6%		42.5%		50.0%
	Core Localities	1990	4,100	51%	100	1%	3,900	48%	8,100
		2000	4,300	49%	400	5%	4,100	46%	8,900
		Change	200		400		300		800
		1990-2000	4.7%		552.9%		7.0%		10.2%

Continued

Housing Stock

Estimated Distribution of Housing Units by Type

Table 1 (continued)

Area	Segment	Year	Single Family Site-Built Number	Single Family Site-Built Share	Single Family Manufact. Number	Single Family Manufact. Share	Multifamily/Other Number	Multifamily/Other Share	Total Units
Charlottes-ville	Overall Market	1990	40,000	68%	4,400	8%	14,600	25%	59,000
		2000	50,500	68%	5,800	8%	17,500	24%	73,900
		Change	10,600		1,400		3,000		14,900
		1990-2000	26.4%		30.4%		20.4%		25.2%
	Core Localities	1990	9,200	55%	200	1%	7,400	44%	16,800
		2000	9,500	54%	400	2%	7,700	44%	17,600
		Change	300		200		300		800
		1990-2000	3.4%		95.1%		4.2%		4.8%
Danville	Overall Market	1990	32,900	71%	6,600	14%	6,700	15%	46,200
		2000	35,300	69%	9,200	18%	6,700	13%	51,100
		Change	2,400		2,600		-100		5,000
		1990-2000	7.3%		39.8%		-0.7%		10.7%
	Core Localities	1990	16,400	70%	1,000	4%	5,900	25%	23,300
		2000	16,100	70%	1,300	6%	5,700	25%	23,100
		Change	-300		300		-200		-200
		1990-2000	-1.7%		26.0%		-3.1%		-0.8%
Kingsport-Bristol (Virginia portion)	Overall Market	1990	26,800	72%	6,100	16%	4,500	12%	37,400
		2000	29,000	68%	8,900	21%	4,900	11%	42,800
		Change	2,200		2,800		400		5,400
		1990-2000	8.3%		46.7%		8.4%		14.6%
	Core Localities	1990	5,400	66%	600	7%	2,200	26%	8,200
		2000	5,800	68%	600	6%	2,200	25%	8,500
		Change	300		0		0		300
		1990-2000	6.3%		-8.1%		0.1%		3.6%
All Small Metropolitan Market Areas		1990	263,000	71%	39,400	11%	70,600	19%	373,100
		2000	315,600	71%	52,900	12%	77,900	17%	446,400
		Change	52,600		13,500		7,300		73,300
		1990-2000	20.0%		34.2%		10.3%		19.7%

Source: U.S. Census Bureau (total units); DMV (manufactured units); Weldon Cooper Center and local agencies (construction and demolition activitiy)

All change and share figures were calculated from unrounded estimates. Therefore, apparent errors appear due to rounding of numbers to the nearest 100.

Housing Occupancy

Household and Group Quarters Population

Table 2A		Total Population	Household Population	Group Quarters Population		Households
				Persons	Share	
Roanoke	**1990**	228,849	221,999	6,850	3.0%	91,370
	2000	241,023	233,963	7,060	2.9%	100,403
	Change	12,174	11,964	210	-0.1%	9,033
	1990-2000	5.3%	5.4%	3.1%		9.9%
Lynchburg	**1990**	206,226	196,777	9,449	4.6%	77,220
	2000	228,616	218,469	10,147	4.4%	89,736
	Change	22,390	21,692	698	-0.2%	12,516
	1990-2000	10.9%	11.0%	7.4%		16.2%
Fredericksburg	**1990**	137,666	132,957	4,709	3.4%	45,810
	2000	202,120	197,753	4,367	2.2%	69,597
	Change	64,454	64,796	-342	-1.2%	23,787
	1990-2000	46.8%	48.7%	-7.3%		51.9%
Charlottesville	**1990**	143,885	135,080	8,805	6.1%	53,516
	2000	174,021	164,370	9,651	5.5%	67,575
	Change	30,136	29,290	846	-1.4%	14,059
	1990-2000	20.9%	21.7%	9.6%		26.3%
Danville	**1990**	108,711	106,929	1,782	1.6%	42,325
	2000	110,156	108,082	2,074	1.9%	45,291
	Change	1,445	1,153	292	0.3%	2,966
	1990-2000	1.3%	1.1%	16.4%		7.0%
Kingsport-Bristol (Virginia portion)	**1990**	87,517	85,328	2,189	2.5%	34,040
	2000	91,873	89,556	2,317	2.5%	38,529
	Change	4,356	4,228	128	0.0%	4,489
	1990-2000	5.0%	5.0%	5.8%		13.2%
All Small Metropolitan Market Areas	**1990**	912,854	879,070	33,784	3.7%	344,281
	2000	1,047,809	1,012,193	35,616	3.4%	411,131
	Change	134,955	133,123	1,832	-0.3%	66,850
	1990-2000	14.8%	15.1%	5.4%		19.4%

Source: U.S. Census Bureau

Housing Occupancy

Housing Vacancies

Table 2B		Total Vacancies	Available Vacant Units: For Sale	Vac. Rate	Available Vacant Units: For Rent	Vac. Rate	Vacant Units Not Available: Sold/Rented	Seasonal	Other
Roanoke	1990	6,090	985	**1.6%**	2,476	**7.8%**	744	528	1,357
	2000	6,503	1,020	**1.5%**	2,018	**6.1%**	603	1,014	1,848
	Change	413	35	**-0.1%**	-458	**-1.7%**	-141	486	491
	1990-2000	6.8%	3.6%		-18.5%		-19.0%	92.0%	36.2%
Lynchburg	1990	6,798	924	**1.6%**	1,705	**7.5%**	661	1,636	1,872
	2000	8,321	1,167	**1.7%**	1,746	**7.0%**	669	1,841	2,898
	Change	1,523	243	**0.1%**	41	**-0.5%**	8	205	1,026
	1990-2000	22.4%	26.3%		2.4%		1.2%	12.5%	54.8%
Fredericksburg	1990	3,265	929	**2.6%**	883	**7.1%**	334	537	582
	2000	4,025	881	**1.6%**	1,163	**6.5%**	339	730	912
	Change	760	-48	**-1.0%**	280	**-0.5%**	5	193	330
	1990-2000	23.3%	-5.2%		31.7%		1.5%	35.9%	56.7%
Charlottesville	1990	5,479	497	**1.5%**	972	**4.5%**	435	2,386	1,189
	2000	6,294	520	**1.2%**	850	**3.4%**	456	3,066	1,402
	Change	815	23	**-0.3%**	-122	**-1.1%**	21	680	213
	1990-2000	14.9%	4.6%		-12.6%		4.8%	28.5%	17.9%
Danville	1990	3,833	304	**1.0%**	906	**6.5%**	387	886	1,350
	2000	5,828	635	**2.0%**	1,637	**10.8%**	377	1,173	2,006
	Change	1,995	331	**0.9%**	731	**4.3%**	-10	287	656
	1990-2000	52.0%	108.9%		80.7%		-2.6%	32.4%	48.6%
Kingsport-Bristol (Virginia portion)	1990	3,320	403	**1.6%**	772	**8.1%**	357	631	1,157
	2000	4,280	476	**1.6%**	960	**9.1%**	296	840	1,708
	Change	960	73	**0.0%**	188	**1.0%**	-61	209	551
	1990-2000	28.9%	18.1%		24.4%		-17.1%	33.1%	47.6%
All Small Metropolitan Market Areas	1990	28,785	4,042	**1.7%**	7,714	**6.9%**	2,918	6,604	7,507
	2000	35,251	4,699	**1.6%**	8,374	**6.6%**	2,740	8,664	10,774
	Change	6,466	657	**-0.1%**	660	**-0.3%**	-178	2,060	3,267
	1990-2000	22.5%	16.3%		8.6%		-6.1%	31.2%	43.5%

Source: U.S. Census Bureau

Housing Tenure

Owner and Renter Occupancy

Table 3A			Occupied Units	Owner-Occupied		Renter-Occupied	
				Number	Share	Number	Share
Roanoke	Overall Market	1990	91,370	62,115	68.0%	29,255	32.0%
		2000	100,403	69,090	68.8%	31,313	31.2%
		Change 1990-2000	9,033 9.9%	6,975 11.2%	0.8%	2,058 7.0%	-0.8%
	Core Localities	1990	41,030	23,234	56.6%	17,796	43.4%
		2000	42,003	23,637	56.3%	18,366	43.7%
		Change 1990-2000	973 2.4%	403 1.7%	-0.3%	570 3.2%	0.3%
Lynchburg	Overall Market	1990	77,220	56,329	72.9%	20,891	27.1%
		2000	89,736	66,664	74.3%	23,072	25.7%
		Change 1990-2000	12,516 16.2%	10,335 18.3%	1.4%	2,181 10.4%	-1.4%
	Core Localities	1990	25,143	14,634	58.2%	10,509	41.8%
		2000	25,477	14,914	58.5%	10,563	41.5%
		Change 1990-2000	334 1.3%	280 1.9%	0.3%	54 0.5%	-0.3%
Fredericks-burg	Overall Market	1990	45,810	34,196	74.6%	11,614	25.4%
		2000	69,597	52,939	76.1%	16,658	23.9%
		Change 1990-2000	23,787 51.9%	18,743 54.8%	1.5%	5,044 43.4%	-1.5%
	Core Localities	1990	7,450	2,779	37.3%	4,671	62.7%
		2000	8,102	2,882	35.6%	5,220	64.4%
		Change 1990-2000	652 8.8%	103 3.7%	-1.7%	549 11.8%	1.7%

Continued

Housing Tenure

Owner and Renter Occupancy

Table 3A (continued)			Occupied Units	Owner-Occupied Number	Owner-Occupied Share	Renter-Occupied Number	Renter-Occupied Share
Charlottes-ville	Overall Market	1990	53,516	32,744	61.2%	20,772	38.8%
		2000	67,575	43,464	64.3%	24,111	35.7%
		Change	14,059	10,720	3.1%	3,339	-3.1%
		1990-2000	26.3%	32.7%		16.1%	
	Core Localities	1990	16,009	6,794	42.4%	9,215	57.6%
		2000	16,851	6,882	40.8%	9,969	59.2%
		Change	842	88	-1.6%	754	1.6%
		1990-2000	5.3%	1.3%		8.2%	
Danville	Overall Market	1990	42,325	29,316	69.3%	13,009	30.7%
		2000	45,291	31,742	70.1%	13,549	29.9%
		Change	2,966	2,426	0.8%	540	-0.8%
		1990-2000	7.0%	8.3%		4.2%	
	Core Localities	1990	21,712	12,905	59.4%	8,807	40.6%
		2000	20,607	11,975	58.1%	8,632	41.9%
		Change	-1,105	-930	-1.3%	-175	1.3%
		1990-2000	-5.1%	-7.2%		-2.0%	
Kingsport-Bristol (Virginia portion)	Overall Market	1990	34,040	25,249	74.2%	8,791	25.8%
		2000	38,529	28,909	75.0%	9,620	25.0%
		Change	4,489	3,660	0.8%	829	-0.8%
		1990-2000	13.2%	14.5%		9.4%	
	Core Localities	1990	7,591	4,789	63.1%	2,802	36.9%
		2000	7,678	4,997	65.1%	2,681	34.9%
		Change	87	208	2.0%	-121	-2.0%
		1990-2000	1.1%	4.3%		-4.3%	
All Small Metropolitan Market Areas		1990	344,281	239,949	69.7%	104,332	30.3%
		2000	411,131	292,808	71.2%	118,323	28.8%
		Change	66,850	52,859	1.5%	13,991	-1.5%
		1990-2000	19.4%	22.0%		13.4%	

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder

Table 3B		Working Age Households				Elderly Households	
		Under Age 25	Age 25-34	Age 35-44	Age 45-64	Age 65-74	Age 75+
Roanoke	**1990**	16.1%	47.9%	69.9%	80.3%	79.9%	73.0%
	2000	14.9%	46.6%	67.6%	79.0%	82.5%	75.3%
	Change 1990-2000	-1.2%	-1.3%	-2.3%	-1.3%	2.6%	2.3%
Lynchburg	**1990**	27.6%	56.4%	74.7%	83.9%	83.6%	75.6%
	2000	21.9%	56.3%	73.7%	83.2%	86.3%	79.5%
	Change 1990-2000	-5.7%	-0.1%	-1.0%	-0.7%	2.7%	3.9%
Fredericksburg	**1990**	29.7%	63.4%	79.7%	85.5%	83.1%	76.7%
	2000	24.7%	62.5%	79.2%	85.8%	84.8%	74.7%
	Change 1990-2000	-5.0%	-0.9%	-0.5%	0.3%	1.7%	-2.0%
Charlottesville	**1990**	10.0%	37.3%	66.6%	80.3%	83.6%	78.8%
	2000	9.1%	38.8%	65.9%	80.0%	85.4%	78.1%
	Change 1990-2000	-0.9%	1.5%	-0.7%	-0.3%	1.8%	-0.7%
Danville	**1990**	25.0%	49.4%	68.1%	79.0%	81.0%	74.4%
	2000	23.8%	50.7%	65.3%	77.8%	81.7%	78.1%
	Change 1990-2000	-1.2%	1.3%	-2.8%	-1.2%	0.7%	3.7%
Kingsport-Bristol (Virginia portion)	**1990**	33.2%	55.8%	73.7%	82.3%	82.8%	80.8%
	2000	32.4%	57.5%	72.0%	82.2%	85.1%	81.4%
	Change 1990-2000	-0.8%	1.7%	-1.7%	-0.1%	2.3%	0.6%
All Small Metropolitan Market Areas	**1990**	20.9%	51.1%	72.2%	81.9%	82.0%	75.8%
	2000	18.4%	51.6%	71.2%	81.4%	84.3%	77.7%
	Change 1990-2000	-2.5%	0.5%	-1.0%	-0.5%	2.3%	1.9%

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder and Family Status

Table 3C		Householder Under 35		Householder 35-64		Householder 65+	
		Family HHs	Other HHs	Family HHs	Other HHs	Family HHs	Other HHs
Roanoke	**1990**	53.0%	21.7%	83.4%	52.2%	88.3%	64.2%
	2000	49.2%	22.7%	82.4%	54.7%	89.7%	67.3%
	Change 1990-2000	-3.8%	1.0%	-1.0%	2.5%	1.4%	3.1%
Lynchburg	**1990**	57.4%	30.5%	84.9%	61.5%	89.5%	66.9%
	2000	57.6%	28.2%	85.3%	61.8%	91.8%	72.4%
	Change 1990-2000	0.2%	-2.3%	0.4%	0.3%	2.3%	5.5%
Fredericksburg	**1990**	64.9%	36.9%	86.8%	67.8%	90.2%	67.1%
	2000	64.4%	30.7%	86.6%	65.8%	90.6%	66.8%
	Change 1990-2000	-0.5%	-6.2%	-0.2%	-2.0%	0.4%	-0.3%
Charlottesville	**1990**	43.9%	12.0%	80.5%	54.7%	89.8%	75.0%
	2000	47.8%	12.6%	81.0%	56.9%	90.0%	71.7%
	Change 1990-2000	3.9%	0.6%	0.5%	2.2%	0.2%	-3.3%
Danville	**1990**	49.8%	30.6%	80.8%	56.4%	86.9%	69.3%
	2000	50.0%	29.4%	79.1%	56.2%	88.7%	70.0%
	Change 1990-2000	0.2%	-1.2%	-1.7%	-0.2%	1.8%	0.7%
Kingsport-Bristol (Virginia portion)	**1990**	54.1%	27.7%	83.1%	61.7%	89.6%	73.6%
	2000	57.6%	35.3%	84.1%	60.9%	91.3%	74.6%
	Change 1990-2000	3.5%	7.6%	1.0%	-0.8%	1.7%	1.0%
All Small Metropolitan Market Areas	**1990**	54.4%	23.4%	83.5%	57.8%	88.9%	68.4%
	2000	54.8%	23.1%	83.5%	58.9%	90.4%	70.3%
	Change 1990-2000	0.4%	-0.3%	0.0%	1.1%	1.5%	1.9%

Source: U.S. Census Bureau

Family HHs. Family households are two or more related persons living together in the same housing unit.
Other HHs. All other types of households.

Housing Tenure

Homeownership Rate by Race and Ethnicity of Householder

Table 3D		White Non-Hispanic	All Minorities	Racial Minorities: Black	Racial Minorities: Asian	Hispanic/ Latino
Roanoke	**1990**	70.5%	49.2%	49.3%	na	48.1%
	2000	72.5%	47.3%	47.3%	54.5%	39.1%
	Change 1990-2000	2.0%	-1.9%	-2.0%	na	-9.0%
Lynchburg	**1990**	76.0%	59.2%	59.2%	na	63.5%
	2000	78.3%	57.6%	58.3%	44.1%	52.6%
	Change 1990-2000	2.3%	-1.6%	-0.9%	na	-10.9%
Fredericksburg	**1990**	76.5%	61.7%	60.7%	na	62.7%
	2000	78.1%	66.4%	66.7%	66.8%	64.0%
	Change 1990-2000	1.6%	4.7%	6.0%	na	1.3%
Charlottesville	**1990**	63.6%	48.0%	50.5%	na	35.5%
	2000	68.4%	44.8%	48.8%	28.3%	37.3%
	Change 1990-2000	4.8%	-3.2%	-1.7%	na	1.8%
Danville	**1990**	75.5%	53.1%	53.1%	na	53.9%
	2000	77.9%	52.9%	53.1%	63.2%	40.8%
	Change 1990-2000	2.4%	-0.2%	0.0%	na	-13.1%
Kingsport-Bristol (Virginia portion)	**1990**	74.7%	51.4%	50.2%	na	56.4%
	2000	75.8%	52.5%	47.9%	57.9%	51.2%
	Change 1990-2000	1.1%	1.1%	-2.3%	na	-5.2%
All Small Metropolitan Market Areas	**1990**	72.4%	54.1%	54.3%	na	52.9%
	2000	74.9%	53.9%	54.6%	45.8%	50.0%
	Change 1990-2000	2.5%	-0.2%	0.3%	na	-2.9%

Source: U.S. Census Bureau

Housing Demand Factors

Jobs and Income

Table 4		Total Area Jobs	Per Capita Income (1999$)		Civilian Labor Force	Unemployment Rate
Roanoke	**1990**	153,128	$24,560	**1990**	122,429	3.7%
	1999	172,449	$28,320	**2000**	130,462	1.6%
	Change	19,321	$3,760	**Change**	8,033	-2.1%
	1990-1999	12.6%	15.3%	**1990-2000**	6.6%	
Lynchburg	**1990**	116,104	$21,354	**1990**	106,216	5.0%
	1999	132,376	$23,406	**2000**	111,288	1.9%
	Change	16,272	$2,052	**Change**	5,072	-3.1%
	1990-1999	14.0%	9.6%	**1990-2000**	4.8%	
Fredericksburg	**1990**	59,037	$24,164	**1990**	73,970	3.6%
	1999	90,625	$26,367	**2000**	105,318	1.3%
	Change	31,588	$2,203	**Change**	31,348	-2.3%
	1990-1999	53.5%	9.1%	**1990-2000**	42.4%	
Charlottesville	**1990**	92,731	$25,275	**1990**	73,688	2.5%
	1999	113,809	$29,685	**2000**	84,759	1.6%
	Change	21,078	$4,410	**Change**	11,071	-0.9%
	1990-1999	22.7%	17.4%	**1990-2000**	15.0%	
Danville	**1990**	52,995	$18,749	**1990**	56,257	8.5%
	1999	57,043	$20,833	**2000**	56,290	4.7%
	Change	4,048	$2,084	**Change**	33	-3.8%
	1990-1999	7.6%	11.1%	**1990-2000**	0.1%	
Kingsport-Bristol (Virginia portion)	**1990**	45,923	$17,778	**1990**	42,275	7.9%
	1999	50,621	$20,993	**2000**	41,453	3.7%
	Change	4,698	$3,215	**Change**	-822	-4.2%
	1990-1999	10.2%	18.1%	**1990-2000**	-1.9%	
All Small Metropolitan Market Areas	**1990**	519,918	$22,554	**1990**	474,835	4.7%
	1999	616,923	$25,650	**2000**	529,570	2.1%
	Change	97,005	$3,096	**Change**	54,735	-2.6%
	1990-1999	18.7%	13.7%	**1990-2000**	11.5%	

Source: Bureau of Economic Analysis (jobs and per capita income); VEC (labor force and unemployment); U.S. Census Bureau (civilian population)

Housing Demand Factors

Incidence of Poverty

Table 5		Persons in Poverty					Poverty Rate				
		1989	1993	1997	Change 1989-93	Change 1993-97	1989	1993	1997	Change 1989-93	Change 1993-97
Roanoke	Overall Market	21,454	27,771	28,502	6,317 (29.4%)	731 (2.6%)	9.7%	11.9%	12.3%	2.2%	0.4%
Roanoke	Core Locality	15,238	19,059	19,323	3,821 (25.1%)	264 (1.4%)	16.1%	19.8%	20.6%	3.7%	0.8%
Lynchburg	Overall Market	22,836	28,250	29,508	5,414 (23.7%)	1,258 (4.5%)	11.6%	13.4%	13.6%	1.8%	0.2%
Lynchburg	Core Locality	9,889	11,710	12,862	1,821 (18.4%)	1,152 (9.8%)	16.4%	18.9%	21.4%	2.5%	2.5%
Fredericksburg	Overall Market	7,257	11,931	13,888	4,674 (64.4%)	1,957 (16.4%)	5.5%	7.3%	7.3%	1.8%	0.0%
Fredericksburg	Core Locality	2,049	3,038	3,046	989 (48.3%)	8 (0.3%)	12.3%	15.9%	17.8%	3.6%	1.9%

Continued

Housing Demand Factors

Incidence of Poverty

Table 5 (continued)

		Persons in Poverty					Poverty Rate				
		1989	1993	1997	Change 1989-93	Change 1993-97	1989	1993	1997	Change 1989-93	Change 1993-97
Charlottesville	Overall Market	18,172	19,444	19,061	1,272 (7.0%)	-383 (-2.0%)	13.5%	13.2%	12.2%	-0.3%	-1.0%
Charlottesville	Core Locality	9,025	8,779	7,714	-246 (-2.7%)	-1,065 (-12.1%)	23.7%	22.7%	21.6%	-1.0%	-1.1%
Danville	Overall Market	16,548	18,511	18,766	1,963 (11.9%)	255 (1.4%)	15.5%	16.8%	17.2%	1.3%	0.4%
Danville	Core Locality	9,795	10,734	11,538	939 (9.6%)	804 (7.5%)	19.0%	20.1%	22.4%	1.1%	2.3%
Kingsport-Bristol (Virginia portion)	Overall Market	15,186	14,884	14,766	-302 (-2.0%)	-118 (-0.8%)	17.9%	16.8%	16.6%	-1.1%	-0.2%
Kingsport-Bristol (Virginia portion)	Core Locality	3,636	3,108	3,512	-528 (-14.5%)	404 (13.0%)	20.6%	17.8%	21.1%	-2.8%	3.3%
All Small Metropolitan Market Areas		101,453	120,791	124,491	19,338 (19.1%)	3,700 (3.1%)	11.6%	12.7%	12.5%	1.1%	-0.2%

Source: U.S. Census Bureau

Housing Demand Factors

Changing Age Profile of Adult Population

Table 6A		Young Adult Population				Middle-Age Pop.
		Age 20-24	Age25-34	Age 35-44	Total	Age 45-64
Roanoke	**Change 1990-2000**	-2,508 -16.5%	-5,877 -15.9%	1,712 4.7%	**-6,673** **-7.5%**	**12,485** **25.9%**
	Change 2000-2010	1,518 9.5%	-1,301 -4.3%	-4,898 -13.7%	**-4,681** **-5.7%**	**12,217** **19.9%**
Lynchburg	**Change 1990-2000**	-2,118 -12.6%	-4,288 -13.1%	4,999 16.4%	**-1,407** **-1.8%**	**13,707** **32.3%**
	Change 2000-2010	2,285 14.1%	-267 -0.9%	-3,311 -10.1%	**-1,293** **-1.6%**	**14,218** **25.1%**
Fredericksburg	**Change 1990-2000**	936 8.0%	3,183 12.7%	13,398 56.4%	**17,517** **28.9%**	**19,991** **86.5%**
	Change 2000-2010	4,369 32.3%	4,239 16.9%	2,078 5.8%	**10,686** **14.4%**	**23,876** **45.1%**
Charlottesville	**Change 1990-2000**	606 3.8%	-2,246 -8.5%	5,012 22.8%	**3,372** **5.2%**	**13,877** **55.4%**
	Change 2000-2010	3,028 19.3%	1,966 6.7%	-744 -2.7%	**4,250** **5.8%**	**11,579** **36.4%**
Danville	**Change 1990-2000**	-954 -14.4%	-3,627 -21.8%	1,359 8.6%	**-3,222** **-8.3%**	**4,109** **17.3%**
	Change 2000-2010	379 6.2%	-948 -7.4%	-2,743 -16.7%	**-3,312** **-9.3%**	**4,289** **15.4%**
Kingsport-Bristol (Virginia portion)	**Change 1990-2000**	-601 -10.1%	-1,288 -10.1%	1,404 11.2%	**-485** **-1.6%**	**3,843** **18.8%**
	Change 2000-2010	365 6.6%	-724 -6.1%	-2,127 -16.4%	**-2,486** **-8.2%**	**4,100** **16.4%**
All Small Metropolitan Market Areas	**Change 1990-2000**	-4,639 -6.4%	-14,143 -9.4%	27,884 19.8%	**9,102** **2.5%**	**68,012** **37.2%**
	Change 2000-2010	11,944 16.4%	2,965 2.1%	-11,745 -7.3%	**3,164** **0.8%**	**70,279** **27.5%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors

Changing Age Profile of Elderly Population

Table 6B		Elderly Population			
		Age 65-74	Age 75-84	Age 85+	Total
Roanoke	Change 1990-2000	-315 -1.6%	2,739 25.1%	879 22.4%	**3,303** **9.5%**
	Change 2000-2010	2,772 13.5%	19 0.1%	1,380 24.1%	**4,171** **10.2%**
Lynchburg	Change 1990-2000	1,373 8.3%	1,884 20.1%	1,283 47.5%	**4,540** **15.9%**
	Change 2000-2010	3,292 18.6%	406 3.2%	1,238 27.8%	**4,936** **14.2%**
Fredericksburg	Change 1990-2000	2,382 37.0%	2,067 69.5%	686 74.2%	**5,135** **49.7%**
	Change 2000-2010	3,862 40.0%	1,184 21.0%	926 50.2%	**5,972** **34.9%**
Charlottesville	Change 1990-2000	2,377 25.4%	1,977 38.8%	897 60.9%	**5,251** **33.0%**
	Change 2000-2010	3,201 29.5%	805 12.7%	850 38.8%	**4,856** **25.1%**
Danville	Change 1990-2000	-745 -7.1%	1,386 26.7%	393 23.2%	**1,034** **6.0%**
	Change 2000-2010	914 9.4%	-296 -4.2%	436 20.5%	**1,054** **5.6%**
Kingsport-Bristol (Virginia portion)	Change 1990-2000	379 4.7%	917 21.0%	440 32.2%	**1,736** **12.6%**
	Change 2000-2010	795 10.1%	-203 -3.6%	381 20.3%	**973** **6.3%**
All Small Metropolitan Market Areas	Change 1990-2000	5,451 7.7%	10,970 28.9%	4,578 37.9%	**20,999** **17.4%**
	Change 2000-2010	14,836 19.4%	1,915 3.7%	5,211 28.6%	**21,962** **15.0%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors

Household Composition

Table 7		Households with Persons <18			Households without Persons <18			All Households	
		Married	Other	Total	1-Person	2+ Persons	Total	Total	Avg. Size
Roanoke	**1990**	21,892	7,954	**29,846**	24,075	37,449	**61,524**	**91,370**	2.43
	2000	20,053	11,362	**31,415**	29,421	39,567	**68,988**	**100,403**	2.33
	Change 1990-2000	-1,839 -8.4%	3,408 42.8%	**1,569** **5.3%**	5,346 22.2%	2,118 5.7%	**7,464** **12.1%**	**9,033** **9.9%**	-0.10
Lynchburg	**1990**	20,949	6,831	**27,780**	17,958	31,482	**49,440**	**77,220**	2.55
	2000	19,443	10,762	**30,205**	23,056	36,475	**59,531**	**89,736**	2.43
	Change 1990-2000	-1,506 -7.2%	3,931 57.5%	**2,425** **8.7%**	5,098 28.4%	4,993 15.9%	**10,091** **20.4%**	**12,516** **16.2%**	-0.11
Fredericksburg	**1990**	17,665	3,718	**21,383**	7,459	16,968	**24,427**	**45,810**	2.90
	2000	23,101	8,470	**31,571**	12,501	25,525	**38,026**	**69,597**	2.84
	Change 1990-2000	5,436 30.8%	4,752 127.8%	**10,188** **47.6%**	5,042 67.6%	8,557 50.4%	**13,599** **55.7%**	**23,787** **51.9%**	-0.06
Charlottesville	**1990**	13,226	4,425	**17,651**	13,074	22,791	**35,865**	**53,516**	2.52
	2000	14,413	7,108	**21,521**	18,365	27,689	**46,054**	**67,575**	2.43
	Change 1990-2000	1,187 9.0%	2,683 60.6%	**3,870** **21.9%**	5,291 40.5%	4,898 21.5%	**10,189** **28.4%**	**14,059** **26.3%**	-0.09
Danville	**1990**	10,207	4,400	**14,607**	10,558	17,160	**27,718**	**42,325**	2.53
	2000	8,408	6,355	**14,773**	12,754	17,764	**30,518**	**45,291**	2.39
	Change 1990-2000	-1,799 -17.6%	1,965 44.7%	**166** **1.1%**	2,196 20.8%	604 3.5%	**2,800** **10.1%**	**2,966** **7.0%**	-0.14
Kingsport-Bristol (Virginia portion)	**1990**	9,439	2,348	**11,787**	7,901	14,352	**22,253**	**34,040**	2.51
	2000	8,177	3,394	**11,571**	10,265	16,333	**26,958**	**38,529**	2.32
	Change 1990-2000	-1,262 -13.4%	1,046 44.5%	**-216** **-1.8%**	2,724 34.5%	1,981 13.8%	**4,705** **21.1%**	**4,489** **13.2%**	-0.18
All Small Metropolitan Market Areas	**1990**	93,378	29,676	**123,054**	81,025	140,202	**221,227**	**344,281**	2.55
	2000	93,595	47,461	**141,056**	106,722	163,353	**270,075**	**411,131**	2.46
	Change 1990-2000	217 0.2%	17,785 59.9%	**18,002** **14.6%**	25,697 31.7%	23,151 16.5%	**48,848** **22.1%**	**66,850** **19.4%**	-0.09

Source: U.S. Census Bureau

Housing Demand Factors

Population by Reported Race and Ethnicity

Table 8			Non-Hispanic Whites	All Minorities	Racial Minorities: Blacks	Racial Minorities: Asians	Racial Minorities: Other Races	Racial Minorities: Mixed Races	Hispanics/ Latinos
Roanoke	Overall Market	1990 Pop.	198,098	30,751	27,610	1,582	658	na	1,364
		% of Pop.	86.6%	13.4%	12.1%	0.7%	0.3%	na	0.6%
		2000 Pop.	201,515	39,508	30,794	2,866	1,594	2,890	2,696
		% of Pop.	83.6%	16.4%	12.8%	1.2%	0.7%	1.2%	1.1%
	Core Localities	1990 Pop.	71,524	24,873	23,395	702	393	na	665
		% of Pop.	74.2%	25.8%	24.3%	0.7%	0.4%	na	0.7%
		2000 Pop.	65,256	29,655	25,380	1,096	898	1,689	1,405
		% of Pop.	68.8%	31.2%	26.7%	1.2%	0.9%	1.8%	1.5%
Lynchburg	Overall Market	1990 Pop.	166,115	40,111	37,845	863	665	na	1,183
		% of Pop.	80.5%	19.5%	18.4%	0.4%	0.3%	na	0.6%
		2000 Pop.	180,489	48,127	41,526	1,586	1,620	2,307	2,177
		% of Pop.	78.9%	21.1%	18.2%	0.7%	0.7%	1.0%	1.0%
	Core Localities	1990 Pop.	47,591	18,458	17,445	484	267	na	476
		% of Pop.	72.1%	27.9%	26.4%	0.7%	0.4%	na	0.7%
		2000 Pop.	43,108	22,161	19,382	838	610	952	878
		% of Pop.	66.0%	34.0%	29.7%	1.3%	0.9%	1.5%	1.3%
Fredericks-burg	Overall Market	1990 Pop.	118,612	19,054	14,597	1,487	1,348	na	2,558
		% of Pop.	86.2%	13.8%	10.6%	1.1%	1.0%	na	1.9%
		2000 Pop.	161,332	40,788	26,401	3,046	3,477	4,357	6,823
		% of Pop.	79.8%	20.2%	13.1%	1.5%	1.7%	2.2%	3.4%
	Core Localities	1990 Pop.	14,245	4,782	4,115	194	250	na	463
		% of Pop.	74.9%	25.1%	21.6%	1.0%	1.3%	na	2.4%
		2000 Pop.	13,759	5,520	3,935	291	570	375	945
		% of Pop.	71.4%	28.6%	20.4%	1.5%	3.0%	1.9%	4.9%

Continued

Housing Demand Factors

Population by Reported Race and Ethnicity

Table 8 (continued)			Non-Hispanic Whites	All Minorities	Racial Minorities: Blacks	Racial Minorities: Asians	Racial Minorities: Other Races	Racial Minorities: Mixed Races	Hispanics/ Latinos
Charlottes-ville	Overall Market	1990 Pop.	118,275	25,610	21,301	2,610	679	na	1,502
		% of Pop.	82.2%	17.8%	14.8%	1.8%	0.5%	na	1.0%
		2000 Pop.	138,371	35,650	24,483	4,670	1,710	2,612	3,872
		% of Pop.	79.5%	20.5%	14.1%	2.7%	1.0%	1.5%	2.2%
	Core Localities	1990 Pop.	30,345	9,996	8,561	920	176	na	476
		% of Pop.	75.2%	24.8%	21.2%	2.3%	0.4%	na	1.2%
		2000 Pop.	30,825	14,224	10,009	2,223	522	958	1,102
		% of Pop.	68.4%	31.6%	22.2%	4.9%	1.2%	2.1%	2.4%
Danville	Overall Market	1990 Pop.	73,549	35,162	34,350	321	223	na	515
		% of Pop.	67.7%	32.3%	31.6%	0.3%	0.2%	na	0.5%
		2000 Pop.	71,734	38,422	35,958	408	635	769	1,371
		% of Pop.	65.1%	34.9%	32.6%	0.4%	0.6%	0.7%	1.2%
	Core Localities	1990 Pop.	33,106	19,950	19,413	260	118	na	276
		% of Pop.	62.4%	37.6%	36.6%	0.5%	0.2%	na	0.5%
		2000 Pop.	25,813	22,598	21,352	291	314	379	612
		% of Pop.	53.3%	46.7%	44.1%	0.6%	0.6%	0.8%	1.3%
Kingsport-Bristol (Virginia portion)	Overall Market	1990 Pop.	85,123	2,394	1,888	164	114	na	276
		% of Pop.	97.3%	2.7%	2.2%	0.2%	0.1%	na	0.3%
		2000 Pop.	88,550	3,323	1,782	218	288	604	590
		% of Pop.	96.4%	3.6%	1.9%	0.2%	0.3%	0.7%	0.6%
	Core Localities	1990 Pop.	17,194	1,232	1,063	90	33	na	64
		% of Pop.	93.3%	6.7%	5.8%	0.5%	0.2%	na	0.3%
		2000 Pop.	15,964	1,403	967	64	77	187	169
		% of Pop.	91.9%	8.1%	5.6%	0.4%	0.4%	1.1%	1.0%
All Small Metropolitan Market Areas		1990 Pop.	759,772	153,082	137,591	7,027	3,687	na	7,398
		% of Pop.	83.2%	16.8%	15.1%	0.8%	0.4%	na	0.8%
		2000 Pop.	841,991	205,818	160,944	12,794	9,324	13,539	17,529
		% of Pop.	80.4%	19.6%	15.4%	1.2%	0.9%	1.3%	1.7%

Source: U.S. Census Bureau

Note: Data for 1990 and 2000 are not directly comparable because in 1990 persons of mixed race were counted in other racial categories.

Housing Affordability

Minimum Income Needed to Afford Housing at the Fair Market Rent (FMR)

Table 9A		1-Per. HH / 1 Bedrm. Unit			3-Per. HH / 2 Bedrm. Unit			5-Per. HH / 3 Bedrm. Unit		
		FMR	Min. Income	% AMI	FMR	Min. Income	% AMI	FMR	Min. Income	% AMI
Roanoke	1997	$391	$15,656	46%	$507	$20,289	47%	$652	$26,062	50%
	2001	$373	$14,916	40%	$483	$19,332	41%	$620	$24,817	43%
	Change 1997-2001	-$18 -4.6%	-$740 -4.7%	-6%	-$24 -4.7%	-$957 -4.7%	-6%	-$32 -4.9%	-$1,245 -4.8%	-7%
Lynchburg	1997	$406	$16,241	53%	$469	$18,778	48%	$618	$24,734	52%
	2001	$387	$15,480	46%	$446	$17,847	42%	$587	$23,497	46%
	Change 1997-2001	-$19 -4.7%	-$761 -4.7%	-7%	-$23 -4.9%	-$931 -5.0%	-6%	-$31 -5.0%	-$1,237 -5.0%	-6%
Fredericksburg	1997	$712	$28,488	64%	$837	$33,461	58%	$1,139	$45,556	66%
	2001	$742	$29,683	62%	$871	$34,829	56%	$1,187	$47,462	64%
	Change 1997-2001	$30 4.2%	$1,195 4.2%	-2%	$34 4.1%	$1,368 4.1%	-2%	$48 4.2%	$1,906 4.2%	-2%
Charlottesville	1997	$532	$21,270	56%	$681	$27,221	56%	$903	$36,107	62%
	2001	$506	$20,243	48%	$645	$25,813	48%	$858	$34,324	53%
	Change 1997-2001	-$26 -4.9%	-$1,027 -4.8%	-8%	-$36 -5.3%	-$1,408 -5.2%	-8%	-$45 -5.0%	-$1,783 -4.9%	-9%
Danville	1997	$391	$15,659	57%	$460	$18,409	52%	$619	$24,753	58%
	2001	$373	$14,920	52%	$438	$17,520	47%	$588	$23,520	53%
	Change 1997-2001	-$18 -4.6%	-$739 -4.7%	-5%	-$22 -4.8%	-$889 -4.8%	-5%	-$31 -5.0%	-$1,233 -5.0%	-5%
Kingsport-Bristol (Virginia portion)	1997	$385	$15,393	59%	$459	$18,373	53%	$608	$24,309	58%
	2001	$365	$14,600	51%	$444	$17,770	48%	$576	$23,047	52%
	Change 1997-2001	-$20 -5.2%	-$793 -5.2%	-8%	-$15 -3.3%	-$603 -3.3%	-5%	-$32 -5.3%	-$1,262 -5.2%	-6%
All Small Metropolitan Market Areas	1997	$467	$18,700	54%	$572	$22,890	52%	$758	$30,302	57%
	2001	$454	$18,165	49%	$555	$22,210	46%	$735	$29,393	51%
	Change 1997-2001	-$13 -2.8%	-$535 -2.9%	-5%	-$17 -3.0%	-$680 -3.0%	-6%	-$23 -3.0%	-$909 -3.0%	-6%

Source: HUD (Fair Market Rents and area median income estimates adjusted for household size)

Note: All figures have been adjusted for inflation and are shown in constant 2001 dollars.

Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.

Min. Income. This is the minimum income needed to afford a unit renting for the FMR based on HUD's standard that households should pay no more than 30% of gross income for rent.

% AMI. This is the necessary minimum income as a share of the Area Median Income as determined by HUD and adjusted for household size.

Housing Affordability

Rent Burden for Lowest Income Populations

Table 9B		1-Bedrm. FMR	Minimum Wage Workers Income	Minimum Wage Workers Rent Burden	Single SSI Recipients Income	Single SSI Recipients Rent Burden	Age 65+ Living on OASDI Income	Age 65+ Living on OASDI Rent Burden
Roanoke	1997	$391	$10,957	43%	$6,441	73%	$9,715	48%
	2001	$373	$10,712	42%	$6,372	70%	na	na
	Change 1997-2001	-$18 -4.6%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Lynchburg	1997	$406	$10,957	44%	$6,441	76%	$9,568	51%
	2001	$387	$10,712	43%	$6,372	73%	na	na
	Change 1997-2001	-$19 -4.7%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Fredericksburg	1997	$712	$10,957	78%	$6,441	133%	$9,289	92%
	2001	$742	$10,712	83%	$6,372	140%	na	na
	Change 1997-2001	$30 4.2%	-$245 -2.2%	5%	-$69 -1.1%	7%		
Charlottesville	1997	$532	$10,957	58%	$6,441	99%	$9,941	64%
	2001	$506	$10,712	57%	$6,372	95%	na	na
	Change 1997-2001	-$26 -4.9%	-$245 -2.2%	-1%	-$69 -1.1%	-4%		
Danville	1997	$391	$10,957	43%	$6,441	73%	$8,970	52%
	2001	$373	$10,712	42%	$6,372	70%	na	na
	Change 1997-2001	-$18 -4.6%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Kingsport-Bristol (Virginia portion)	1997	$385	$10,957	42%	$6,441	72%	$8,783	53%
	2001	$365	$10,712	41%	$6,372	69%	na	na
	Change 1997-2001	-$20 -5.2%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
All Small Metropolitan Market Areas	1997	$467	$10,957	51%	$6,441	87%	$9,462	59%
	2001	$454	$10,712	51%	$6,372	85%	na	na
	Change 1997-2001	-$13 -2.8%	-$245 -2.2%	0%	-$69 -1.1%	-2%		

Source: HUD (Fair Market Rents); Dept. of Labor (minimum wage rates); Social Security Administration (SSI and OASDI benefit payments)

Note: All figures are adjusted for inflation and shown in constant 2001dollars.

1-Bedroom Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas for a one-bedroom unit as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.

Minimum Wage Workers. Income is the annual minimum wage for a full-time worker.

Single SSI recipients. Income is the maximum Supplemental Security Income (SSI) benefit for a single person.

Age 65+ living on OASDI. Income is the average Social Security benefit being paid to persons age 65+ in Virginia as of December 31, 1997. This is indicative of the income of persons relying solely on OASDI benefits for income. Data for 2001 are not available but should compare closely with 1997 because OASDI benefits are fulled indexed for inflation.

Rent Burden. This is the share of monthly income needed to pay the one-bedroom Fair Market Rent.

Housing Affordability

Changes in Single Family Home Prices Relative to Incomes

Table 9C		Change in HUD Area Median Income	Change in OFHEO House Price Index	
			Actual	Inflation Adjusted
Roanoke MSA	**1993-1997**	12.0%	13.4%	1.8%
	1997-2001	20.8%	20.9%	9.8%
	Total 1993-2001	35.3%	37.1%	11.7%
Lynchburg MSA	**1993-1997**	14.1%	14.1%	2.4%
	1997-2001	20.2%	19.8%	8.8%
	Total 1993-2001	37.1%	36.7%	11.4%
Charlottesville MSA	**1993-1997**	14.7%	6.8%	-4.2%
	1997-2001	23.3%	26.1%	14.5%
	Total 1993-2001	41.4%	34.7%	9.8%
Danville MSA	**1993-1997**	10.6%	13.9%	2.2%
	1997-2001	15.8%	22.8%	11.5%
	Total 1993-2001	28.0%	39.9%	14.0%
Johnson City-Kingsport-Bristol MSA	**1993-1997**	13.7%	23.2%	10.6%
	1997-2001	22.9%	18.5%	7.6%
	Total 1993-2001	38.9%	46.0%	19.0%

Source: HUD and Office of Federal Housing Enterprise Oversight (OFHEO)

Note: Published OFHEO data cannot be reaggregated to conform to the market areas used in this report. However, in most cases, there is a close fit between MSAs and the metropolitan markets for which data is presented. An exception is the Johnson City-Kingsport-Bristol MSA only a small portion of which is in Virginia. Separate data is not available for the Fredericksburg market area.

Federal and State Rental Housing Assistance

Low-Income Family Units

Table 10A			Total Low-Income Family Units	Units per 1000 Non-Eld. Renter HHs	Family Units with Deep Subsidies	Units per 1000 Non-Eld. Renter HHs
Roanoke	Overall Market	1990	2,475	102	2,027	84
		2000	3,221	123	1,988	76
		Chg. 90-	746 (30.1%)	21 (20.6%)	-39 (-1.9%)	-18 (-21.4%)
		Since	-29 net units on-line or approved		-126 net units on-line or approved	
	Core Localities	1990	2,101	143	1,929	131
		2000	2,411	155	1,890	121
		Chg. 90-	310 (14.8%)	12 (8.4%)	-39 (-2.0%)	-10 (-7.6%)
		Since	-29 net units on-line or approved		-126 net units on-line or approved	
Lynchburg	Overall Market	1990	1,653	96	1,162	67
		2000	1,693	87	1,346	69
		Chg. 90-	40 (2.4%)	-9 (-9.4%)	184 (15.8%)	2 (3.0%)
		Since	28 net units on-line or approved		0 net units on-line or approved	
	Core Localities	1990	1,203	145	1,018	122
		2000	1,234	142	1,030	119
		Chg. 90-	31 (2.6%)	-3 (-2.1%)	12 (1.2%)	-3 (-2.5%)
		Since	28 net units on-line or approved		0 net units on-line or approved	
Fredericks-burg	Overall Market	1990	973	94	618	59
		2000	2,544	171	490	33
		Chg. 90-	1,571 (161.5%)	77 (81.9%)	-128 (-20.7%)	-26 (-44.1%)
		Since	1,121 net units on-line or approved		-192 net units on-line or approved	
	Core Localities	1990	541	141	466	121
		2000	841	192	338	77
		Chg. 90-	300 (55.5%)	51 (36.2%)	-128 (-27.5%)	-44 (-36.4%)
		Since	176 net units on-line or approved		-192 net units on-line or approved	

Continued

Federal and State Rental Housing Assistance

Low-Income Family Units

Table 10A (continued)			Total Low-Income Family Units	Units per 1000 Non-Eld. Renter HHs	Family Units with Deep Subsidies	Units per 1000 Non-Eld. Renter HHs
Charlottes-ville	Overall Market	**1990**	662	35	456	24
		2000	1,465	67	468	22
		Chg. 90-	803 (121.3%)	32 (91.4%)	12 (2.6%)	-2 (-8.3%)
		Since	18 net units on-line or approved		0 units on-line or approved	
	Core Localities	**1990**	640	76	456	54
		2000	1,346	145	468	50
		Chg. 90-	706 (110.3%)	69 (90.8%)	12 (2.6%)	-4 (-7.4%)
		Since	8 net units on-line or approved		0 units on-line or approved	
Danville	Overall Market	**1990**	1,211	115	1,027	97
		2000	1,379	124	1,051	95
		Chg. 90-	168 (13.9%)	9 (7.8%)	24 (2.3%)	-2 (-2.1%)
		Since	-203 net units on-line or approved		-250 net units on-lie or approved	
	Core Localities	**1990**	1,017	143	936	132
		2000	1,185	169	936	133
		Chg. 90-	168 (16.5%)	26 (18.2%)	0 (0.0%)	1 (0.8%)
		Since	-250 net units on-line or approved		-250 net units on-lie or approved	
Kingsport-Bristol (Virginia portion)	Overall Market	**1990**	928	130	707	99
		2000	991	126	704	89
		Chg. 90-	63 (6.8%)	-4 (-3.1%)	-3 (-0.4%)	-10 (-10.1%)
		Since	32 net units on-line or approved		0 net units on-line or approved	
	Core Localities	**1990**	589	277	557	262
		2000	637	306	532	256
		Chg. 90-	48 (8.1%)	29 (10.5%)	-25 (-4.5%)	-6 (-2.3%)
		Since	32 net units on-line or approved		0 net units on-line or approved	
All Small Metropolitan Market Areas		**1990**	7,902	89	5,997	68
		2000	11,293	111	6,047	60
		Chg. 90-	3,391 (42.9%)	22 (24.7%)	50 (0.8%)	-8 (-11.8%)
		Since	967 net units on-line or approved		-568 net units on-line or approved	

Source: HUD, USDA (Rural Housing), PHAs, and VHDA (assisted units); U.S. Census Bureau (non-elderly renter households)

*Units placed in service or receiving federal or state funding approval since January 2000

Total Low-Income Family Units. This inventory includes family developments (i.e., developments without age restrictions intended for family occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.

Family Units with Deep Subsidies. This inventory includes family developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Non-Elderly Renter Households. These are renter households with a householder under the age of 65.

Federal and State Rental Housing Assistance

Low-Income Elderly Independent Living Units

Table 10B			Total Low-Income Elderly Units	Units per 1000 Elderly Renter HHs	Elderly Units with Deep Subsidies	Units per 1000 Elderly Renter HHs
Roanoke	Overall Market	1990	1,023	201	875	172
		2000	1,142	224	994	195
		Chg. 90-00	119 (11.6%)	23 (11.4%)	119 (13.6%)	23 (13.4%)
		Since 1/00*	68 net units on-line or approved		0 net units on-line or approved	
	Core Localities	1990	720	234	573	186
		2000	765	274	618	221
		Chg. 90-00	45 (6.3%)	40 (17.1%)	45 (7.9%)	35 (18.8%)
		Since 1/00*	68 net units on-line or approved		0 net units on-line or approved	
Lynchburg	Overall Market	1990	587	162	486	134
		2000	675	191	574	163
		Chg. 90-00	88 (15.0%)	29 (17.9%)	88 (18.1%)	29 (21.6%)
		Since 1/00*	56 net units on-line or approved		0 net units on-line or approved	
	Core Localities	1990	509	232	408	186
		2000	509	270	408	216
		Chg. 90-00	0 (0.0%)	38 (16.4%)	0 (0.0%)	30 (16.1%)
		Since 1/00*	56 net units on-line or approved		0 net units on-line or approved	
Fredericks-burg	Overall Market	1990	153	126	129	106
		2000	624	344	216	119
		Chg. 90-00	471 (307.8%)	218 (173.0%)	87(67.4%)	13 (12.3%)
		Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	
	Core Localities	1990	129	157	129	157
		2000	259	309	129	154
		Chg. 90-00	130 (100.8%)	152 (96.8%)	0 (0.0%)	-3 (-1.9%)
		Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	

Continued

Federal and State Rental Housing Assistance

Low-Income Elderly Independent Living Units

Table 10B (continued)			Total Low-Income Elderly Units	Units per 1000 Elderly Renter HHs	Elderly Units with Deep Subsidies	Units per 1000 Elderly Renter HHs
Charlottes-ville	Overall Market	1990	230	125	230	125
		2000	292	124	260	111
		Chg. 90-00	62 (27.0%)	-1 (-0.8%)	30 (13.0%)	-14 (11.2%)
		Since 1/00*	127 net units on-line or approved		0 net units on-line or approved	
	Core Localities	1990	203	260	203	260
		2000	203	298	203	298
		Chg. 90-00	0 (0.0%)	38 (14.6%)	0 (0.0%)	38 (14.6%)
		Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	
Danville	Overall Market	1990	386	156	386	156
		2000	506	207	497	204
		Chg. 90-00	120 (31.1%)	51 (32.7%)	111 (28.8%)	48 (30.8%)
		Since 1/00*	116 net units on-line or approved		41 net units on-line or approved	
	Core Localities	1990	386	226	386	226
		2000	427	265	427	265
		Chg. 90-00	41 (10.6%)	39 (17.3%)	41 (10.6%)	39 (17.3%)
		Since 1/00*	116 net units on-line or approved		41 net units on-line or approved	
Kingsport-Bristol (Virginia portion)	Overall Market	1990	365	222	365	222
		2000	510	295	510	295
		Chg. 90-00	145 (39.7%)	73 (32.9%)	145 (39.7%)	73 (32.9%)
		Since 1/00*	31 net units on-line or approved		0 net units on-line or approved	
	Core Localities	1990	275	406	275	406
		2000	275	458	275	458
		Chg. 90-00	0 (0.0%)	52 (12.8%)	0 (0.0%)	52 (12.8%)
		Since 1/00*	31 net units on-line or approved		0 net units on-line or approved	
All Small Metropolitan Market Areas		1990	2,744	173	2,471	156
		2000	3,749	221	3,051	180
		Chg. 90-00	1,005 (36.6%)	48 (27.7%)	580 (23.5%)	24 (15.4%)
		Since 1/00*	398 net units on-line or approved		41 net units on-line or approved	

Source: HUD, USDA (Rural Housing), and VHDA (assisted units); U.S. Census Bureau (elderly renter households)

*Units placed in service or receiving federal or state funding approval since January 2000

Total Low-Income Elderly Units. This inventory includes elderly independent living developments (i.e., unlicensed developments designed for elderly occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes licensed assisted living facilities. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.

Elderly Units with Deep Subsidies. This inventory includes independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Elderly Renter Households. These are renter households with a householder aged 65 or older.

Federal and State Rental Housing Assistance

Total Low-Income Units with Deep Rental/Operating Subsidies

Table 10C			Project-Based Units	Units per 1000 Renter HHs	Tenant-Based Units	Units per 1000 Renter HHs	Total Deep Subs. Units	Units per 1000 Renter HHs
Roanoke	Overall Market	1990	2,902	99	1,355	46	4,257	146
		2000	2,982	95	1,677	54	4,659	149
		Change	80	-4	322	8	402	3
		1990-	2.8%	-4.0%	23.8%	17.4%	9.4%	2.1%
	Core Localities	1990	2,502	141	1,315	74	3,817	214
		2000	2,508	137	1,564	85	4,072	222
		Change	6	-4	249	11	255	8
		1990-	0.2%	-2.8%	18.9%	14.9%	6.7%	3.7%
Lynchburg	Overall Market	1990	1,648	79	953	46	2,601	125
		2000	1,920	83	1,012	44	2,932	127
		Change	272	4	59	-2	331	2
		1990-	16.5%	5.1%	6.2%	-4.3%	12.7%	1.6%
	Core Localities	1990	1,426	136	658	63	2,084	198
		2000	1,438	136	642	61	2,080	197
		Change	12	0	-16	-2	-4	-1
		1990-	0.8%	0.0%	-2.4%	-3.2%	-0.2%	-0.5%
Fredericks-burg	Overall Market	1990	747	64	83	7	830	71
		2000	706	42	602	36	1,308	79
		Change	-41	-22	519	29	478	8
		1990-	-5.5%	-34.4%	625.3%	414.3%	57.6%	11.3%
	Core Localities	1990	595	127	58	12	653	140
		2000	467	89	253	48	720	138
		Change	-128	-38	195	36	67	-2
		1990-	-21.5%	-29.9%	336.2%	300.0%	10.3%	-1.4%

Continued

Federal and State Rental Housing Assistance

Total Low-Income Units with Deep Rental/Operating Subsidies

Table 10C (continued)			Project-Based Units	Units per 1000 Renter HHs	Tenant-Based Units	Units per 1000 Renter HHs	Total Deep Subs. Units	Units per 1000 Renter HHs
Charlottes-ville	Overall Market	1990	686	33	750	36	1,436	69
		2000	728	30	1,235	51	1,963	81
		Change	42	-3	485	15	537	12
		1990-	6.1%	-9.1%	64.7%	41.7%	36.7%	17.4%
	Core Localities	1990	659	72	226	25	885	96
		2000	671	67	446	45	1,117	112
		Change	12	-5	220	20	232	16
		1990-	1.8%	-6.9%	97.3%	80.0%	26.2%	16.7%
Danville	Overall Market	1990	1,413	109	679	52	2,092	161
		2000	1,548	114	821	61	2,369	175
		Change	135	5	142	9	277	14
		1990-	9.6%	4.6%	20.9%	17.3%	13.2%	8.7%
	Core Localities	1990	1,322	150	654	74	1,976	224
		2000	1,363	158	772	84	2,085	242
		Change	41	8	68	10	109	18
		1990-	3.1%	5.3%	10.4%	13.5%	5.5%	8.0%
Kingsport-Bristol (Virginia portion)	Overall Market	1990	1,072	122	542	62	1,614	184
		2000	1,214	126	639	66	1,853	193
		Change	142	4	97	4	239	9
		1990-	13.2%	3.3%	17.9%	6.5%	14.8%	4.9%
	Core Localities	1990	832	297	254	91	1,086	388
		2000	807	301	254	95	1,061	396
		Change	-25	4	0	4	-25	8
		1990-	-3.0%	1.3%	0.0%	4.4%	-2.3%	2.1%
All Small Metropolitan Market Areas		1990	8,468	81	4,362	42	12,830	123
		2000	9,098	77	5,986	51	15,084	127
		Change	630	-4	1,624	9	2,254	4
		1990-	7.4%	-4.9%	37.2%	21.4%	17.6%	3.3%

Sources: HUD, USDA (Rural Housing), PHAs and VHDA (deep subsidy rental units); U.S. Census Bureau (renter households)

Project-Based Units. This inventory includes family and independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Tenant-Based Units. This inventory includes all authorized units under the Section 8 Housing Choice Voucher and Moderate Rehabilitation programs. Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2) separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.

Loss of Low-Rent Housing Stock

Loss of Units from Federal/State Assisted Inventory

Table 11		Units Lost from Assisted Inventory: Prepay./Opt-Out	Units Lost from Assisted Inventory: Propt. Disposition	Units Provided New Fed./State Assist.	Net Loss of Assisted Units
Roanoke	1990 to 1999	0	54	15	39
	Since Jan. 2000*	208	126	208	126
Lynchburg	1990 to 1999	0	152	152	0
	Since Jan. 2000*	0	0	0	0
Fredericksburg	1990 to 1999	202	0	0	202
	Since Jan. 2000*	192	0	0	192
Charlottesville	1990 to 1999	0	0	0	0
	Since Jan. 2000*	0	0	0	0
Danville	1990 to 1999	0	0	0	0
	Since Jan. 2000*	0	250	0	250
Kingsport-Bristol (Virginia portion)	1990 to 1999	0	25	0	25
	Since Jan. 2000*	0	0	0	0
All Small Metropolitan Market Areas	1990 to 1999	202	231	167	266
	Since Jan. 2000*	400	376	208	568

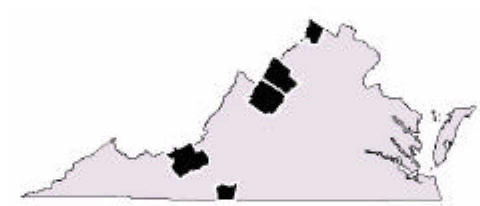
Source: HUD and USDA (Rural Housing)

*Units lost or slated to be lost since January 2000

Analysis of Housing Needs in the Commonwealth

Part IV: Housing Needs in Non-Metropolitan Urban Markets

Blacksburg
Staunton-Waynesboro
Harrisonburg
Winchester
Martinsville



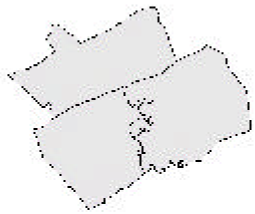
Virginia Department of Housing and Community Development

Virginia Housing Development Authority

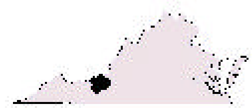
November 2001

Part IV: Housing Needs in Non-Metropolitan Urban Areas

Contents



Blacksburg Market Area



Core Localities: Montgomery County (Blacksburg and Christiansburg Towns); Radford City

Surrounding Localities: Giles, Montgomery (unincorporated areas), and Pulaski Counties

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Roanoke on March 14, 2001 to solicit public input on housing needs and priorities in the small metropolitan and non-metropolitan urban areas in south central and western Virginia. Sixty-nine persons participated in small, facilitated discussion groups at the forum representing housing needs and interests in the Blacksburg, Roanoke, Lynchburg, Danville and Martinsville housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Blacksburg area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the six primary themes arising from public discussion at the forum.

Six Major Themes and Associated Issues Identified at the Roanoke Forum

1. The availability of affordable housing is very limited.

Priority Issues Identified by Forum Participants

- **The affordable housing stock is in poor condition.**

  Affordable housing is in substandard condition. The high cost of materials inhibits rehabilitation and repair. Some existing homes are deteriorating because owners do not have the financial resources for repair and maintenance, especially the elderly and others on fixed incomes. Many of these people live in older homes that require more costly repairs.

- **The gap between incomes and housing costs is growing.**

  People earning low wages or on fixed incomes have limited housing choices. High-value new construction is increasing the cost of housing for lower income individuals. Limited land available for development and rising real property taxes contribute to increased housing costs. In addition, upfront costs (such as deposits, advanced rents, etc.) hinder the working poor from finding suitable housing.

1. The availability of affordable housing is very limited.
(continued)

Related Issues Identified through Needs Analysis

- **Declining vacancies have reduced housing choice.**

  During the 1990s, the increase in the Blacksburg area's housing stock did not keep pace with the growth in households. Consequently, both homeowner and rental vacancy rates declined and, by 2000, the market had become relatively tight.

- **Purchasing power is relatively weak.**

  Although the Blacksburg area had an above-average rate of income growth during the 1990s, the level of per capita income is still lower than in other non-metropolitan urban markets, and the poverty rate is well above the state average. This weakens area purchasing power.

- **The area has a relatively high use of manufactured homes.**

  Weak home purchasing power and constraints on housing development are reflected in the area's relatively high use of manufactured housing, which provides an affordable alternative to site-built homes. The share of total units in the area that are manufactured homes is over twice the statewide average. Likewise, from 1990 to 2000, manufactured homes represented over twice as high a share of the increase in single-family homes in the Blacksburg area as they did statewide. Given the high use of manufactured homes in the region, the concerns expressed at the forum regarding zoning restrictions can be assumed to apply either to specific areas of the region or to difficulty in siting manufactured homes in preferred locations.

- **A number of factors cause concern about housing costs despite improved overall affordability.**

  For the average Blacksburg area household, rental housing is more affordable than for their counterparts in other markets in the state. The share of median income needed to afford a unit at the prevailing market rent is well below the statewide average.

  For low-income renters, the situation is different. The market has a ratio of assisted units per 1000 renter households that is below the statewide ratio despite the area's relatively low income level and above-average poverty rate.

1. The availability of affordable housing is very limited.
(continued)

During the 1990s, total assisted rental family units increased at a slower rate than non-elderly renter households. Consequently, the ratio of assisted family units per 1000 non-elderly renter households fell. In 2000, the area's ratio of assisted family units per 1000 non-elderly renter households was 88 percent of the statewide ratio compared to 115 percent in 1990. The area's ratio of elderly units per 1000 elderly renter households increased substantially, but is still just 63 percent of the statewide ratio. The area's ratios of family and elderly units with project-based deep subsidies per 1000 renter households are also below the statewide ratios, although the disparities are somewhat smaller.

The market has a ratio of tenant-based deep subsidy units per 1000 renter households that is nearly half the statewide ratio. Consequently, the overall availability of deep subsidy rental units is low compared to the state as a whole. The ratio of total deep subsidy units per 1000 renter households is just 71 percent of the statewide ratio.

Low-income households that do not live in assisted housing continue to face challenges in renting, purchasing and maintaining homes. Unassisted rental housing in the Blacksburg area remains unaffordable to the lowest income populations. There has been a small decline in the area's overall homeownership rate, and the homeownership rate for Blacks has declined substantially.

One factor impacting affordability is household composition. The area's average household size (2.36 persons) is one of the lowest among the state's housing markets. During the 1990s, nearly three quarters of the net increase in households was made up of single-persons and non-married households with children. A large majority of the latter are single parents with one income. Generally, single-income households are more challenged in affording housing than are households with two incomes

2. Rental properties are deteriorating and disincentives exist for maintenance and repair.

Priority Issues Identified by Forum Participants

- **Rental properties are deteriorating.**

  Some landlords, especially absentee landlords, do not care if buildings deteriorate. There are limited laws to hold property owners accountable and few staff to enforce codes and regulations. Some landlords and renters may not be aware of their rights, responsibilities, and obligations. Some

2. Rental properties are deteriorating and disincentives exist for maintenance and repair.
(continued)

renters do not care if buildings deteriorate and those that do care have no other alternatives

- **There are disincentives to investment.**

  It is sometimes more financially beneficial for owners of rental properties in cities to make cosmetic repairs and leave properties vacant than bear the repair and management costs of renting their property. Local property taxes favor deferred maintenance on rental properties.

- **Housing disinvestment is hurting neighborhoods.**

  Poorly maintained rental properties negatively impact surrounding areas, reduce the incentive for other owners to invest in maintenance, and have negative impacts on the neighborhood such as increased crime and sanitation problems. Vacant and abandoned properties are difficult to upgrade or replace at a reasonable cost.

3. Demand for housing for people with special needs is increasing.

Priority Issues Identified by Forum Participants

- **The need for transitional and long-term housing is increasing.**

  Hospital and rehabilitation discharge policies are increasing the number of low-income people with disabilities who are in danger of becoming homeless. This includes people with mental or physical disabilities, seniors, and others whose caregivers are aging or have passed away. Quality assisted living options are needed for the disabled with access to support system programs and services.

4. Housing policies impact the affordability and supply of housing.

Priority Issues Identified by Forum Participants

- **Government policies limit housing choices.**

  Local governments do not view housing needs as a priority. There is a perceived disinterest at the local, state, and national level in providing policy and financial resources that promote affordable housing, such as adequate/proper zoning laws and building codes. Local governments are not motivated to disperse low-income housing throughout the region because it is cheaper and easier to cluster. Zoning laws prevent manufactured housing development and insti-

4. Housing policies impact the affordability and supply of housing.
(continued)

tute excessive hidden housing costs such as lateral utility hookups and fees.

- **There is a dichotomy between the housing needs of low-income people and the interests of developers and local governments.**

  The profit motivation of developers and landlords, and local governments' need to balance revenues and service costs, frequently diverge from the need of low-income people for decent, safe, and affordable housing.

5. People in need are not always aware of or in a position to take advantage of available options for assistance.

Priority Issues Identified by Forum Participants

- **Consumers are unaware of available options.**

  Some potential first-time homebuyers are unfamiliar with the home buying process or are not sure they can take on the responsibility of homeownership. New homeowners are not always aware of their rights and responsibilities or what is required for adequate maintenance and repair.

- **Credit and financial counseling are needed.**

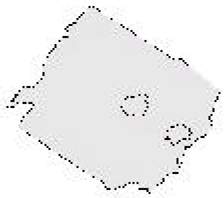
  Many individuals do not understand the importance of their credit rating and do not do a good job managing their finances. Education is needed—starting while people are still in school—that will provide knowledge on basic budgeting and life skills. Training and support is needed on checkbook balancing, money management, and credit counseling.

6. Greater flexibility is needed within program guidelines.

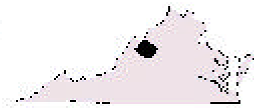
Priority Issues Identified by Forum Participants

- **Program guidelines are too restrictive.**

  The description of "family" according to VHDA guidelines creates serious problems in providing housing finance to low-income households. Approval guidelines are too strict and complicate the process. Credit rules do not take into account the financial difficulties within the low-income community. Flexible programs are needed for the elderly and disabled.



Staunton-Waynesboro Market Area



Core Localities: Staunton and Waynesboro Cities

Surrounding Locality: Augusta County

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Harrisonburg on March 6, 2001 to solicit public input on housing needs and priorities in small urban and rural regions in northern and western Virginia. Over fifty persons participated in small, facilitated discussion groups at this forum representing housing needs and interests in the Staunton-Waynesboro, Harrisonburg, Winchester, Charlottesville, Northern Valley-Piedmont, and Alleghany Highlands housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Staunton-Waynesboro area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forum.

Four Major Themes and Associated Issues Identified at the Harrisonburg Forum

1. Rising demand is decreasing the availability of affordable housing options.

Priority Issues Identified by Forum Participants

- **There is a growing gap between wages and housing costs.**

  The difference between what people can earn and what people have to pay for housing is increasing in the region. This growing gap is fueled in part by increased competition for housing as a result of retirees moving into the area and commuters who travel outside the region for employment. Not only does this create a tighter housing market, but these consumers can also generally afford to pay more for housing. Many long-time residents have limited earning potential and are becoming more dependent on subsidies to obtain housing or are forced to live in crowded conditions. As a result, the rising demand for Housing Choice Vouchers continues to exceed the availability of subsidy assistance.

- **The availability of affordable housing is decreasing.**

  Landlords with affordable units are becoming less willing to accept vouchers due to a history of tenant late payments

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

or other prior tenant problems. This "Section 8" stigma limits the number of units that are available, even if a voucher is obtained. There is a need to educate landlords as to the advantages of participation and to dispel stereotypes.

Related Issues Identified through Needs Analysis

- **Moderate household, employment and income growth, and adequate housing production, have maintained overall housing quality and affordability.**

  The Staunton-Waynesboro area has experienced growth in jobs, households and per capita income relatively close to the statewide average. The market has not had the high levels of growth experienced further north in the Shenandoah Valley and to the east in the northern Piedmont, which has resulted in declining vacancies and rising housing costs. Neither has the market suffered from the sluggish growth experienced by areas to the south and west, which has resulted in weak purchasing power and inadequate reinvestment in an aging housing stock. The avoidance of both high and low growth has enabled the area to maintain a reasonable balance of supply and demand, as well as overall levels of housing quality and affordability that are higher than in most other markets in the state. This situation differs from that of the other regional housing markets represented at the Harrisonburg forum. Therefore, the concern raised at the forum regarding the impact of rising demand on housing choices, while relevant to the Staunton-Waynesboro market, better fits the other regional housing markets represented.

- **The lowest income populations still have difficulty accessing adequate housing.**

  Households living on limited fixed benefit incomes and households reliant on minimum wage employment have not benefited by the area's overall housing situation. Their incomes have not kept pace with rising housing costs. Instead, they face a gap between their limited income and and prevailing market rents that though not as great as in other markets is nonetheless large. The rent for a one-bedroom unit now requires over 70 percent of the income of a disabled person relying on Supplemental Security Income

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

(SSI). The wage needed to afford a one-bedroom rental unit is 40 percent higher than the minimum wage.

- **Not all groups have benefited from the area's large increase in homeownership.**

The Staunton-Waynesboro area has a high homeownership rate and has experienced a large increase in homeownership over the last decade. However, the overall gain in homeownership was not shared by all groups. The area has large and widening disparities in homeownership by race and ethnicity. The homeownership rates for both Blacks and Hispanics declined during the 1990s.

2. Special needs housing and support services are inadequate.

Priority Issues Identified by Forum Participants

- **Seniors need increased assistance and support in order to remain in their homes.**

There is a growing need for assistance to help people stay in their homes. This includes making adaptations as residents age, and maintaining and repairing aging housing to ensure it is safe.

- **Transitional housing choices are inadequate.**

There is a growing need for readily accessible transitional housing for those in need such as people with mental disabilities, seniors, and victims of abuse. Deinstitutionalization has helped to increase this need and few housing options exist for people transitioning from one housing situation to another. There is an increasing demand for beds in emergency shelters for the homeless and temporary housing for families in crisis.

- **Demand for accessible housing is increasing.**

Demand is also increasing for housing that is appropriate for people with physical disabilities. Many people do not realize what "accessible" really means and few units are available to the disabled. Affordability is a key issue as many disabled people have limited earning potential.

2. Special needs housing and support services are inadequate.
(continued)

- **Mobility and support services are required.**

  Housing for people with special needs is not always convenient to other necessary support services such as shopping, medical services, and public transportation. There is a need for increased housing that is close to services as well as employment opportunities.

3. There is insufficient awareness, commitment, and support to make housing a priority issue in the region.

Priority Issues Identified by Forum Participants

- **Local governments need to increase support for housing.**

  Concerns were expressed that local governments are reluctant to address the variety of housing needs in the region. This reluctance may arise from a lack of awareness of the extent of needs as well as a perception that additional housing will produce increased demands for additional public expenditures for schools and other support services. Concern was also expressed that current government policies, including zoning ordinances, are restricting housing choices due to increased costs to meet zoning demands or the lack of sites suitably zoned for needed residential development.

- **Increased community awareness and support are needed.**

  The general public is not aware of the extent of housing needs, nor does it have a thorough understanding of the issues affecting affordable and accessible housing. This lack of awareness and support hampers the development of local political will to address these issues.

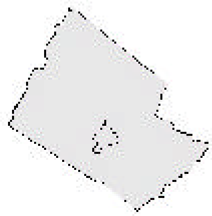
- **A more regional response is needed.**

  Regional approaches to addressing housing needs are insufficient. This includes not only local government responses, but also the lack of regional coordination among existing public and private housing organizations and programs.

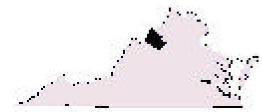
- **Housing needs to be more integrated into community planning activities.**

  A holistic approach is needed to tie affordable and accessible housing more closely to community planning and

3. There is insufficient awareness, commitment, and support to make housing a priority issue in the region. (continued)	development. There is a need to seek more creative solutions to housing issues instead of pursuing traditional approaches. There is also a need to develop more leadership in the arena of housing development in the non-urbanized areas of the region. **Related Issues Identified through Needs Analysis** • **Not all jurisdictions have a local Housing Choice Voucher program.** Augusta County has no local Housing Choice Voucher program. This limits access to affordable rental housing by the lowest income populations outside of Staunton and Waynesboro Cities.
4. There are barriers to accessing assistance.	**Priority Issues Identified by Forum Participants** • **Housing program options are too limited.** More options are needed among the "products" offered for housing assistance. Flexibility in program design needs to be increased and limits on service and income levels need to be broadened. • **Credit and financial management problems hinder homeownership.** Many people in need of housing are not knowledgeable about credit requirements for home purchase. They are unable to acquire money for homeownership because of problems with work history, debt, credit history and/or references. Credit and financial management counseling are needed to help people qualify for program assistance and commercial loans.



Harrisonburg Market Area



Core Locality: Harrisonburg City

Surroundinging Locality: Rockingham County

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Harrisonburg on March 6, 2001 to solicit public input on housing needs and priorities in small urban and rural regions in northern and western Virginia. Over fifty persons participated in small, facilitated discussion groups at this forum representing housing needs and interests in the Harrisonburg, Staunton-Waynesboro, Winchester, Charlottesville, Northern Valley-Piedmont, and Alleghany Highlands housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Staunton-Waynesboro area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forum.

Four Major Themes and Associated Issues Identified at the Harrisonburg Forum

1. Rising demand is decreasing the availability of affordable housing options.

Priority Issues Identified by Forum Participants

- **There is a rising gap between wages and housing costs.**

  The difference between what people can earn and what people have to pay for housing is increasing in the region. This growing gap is fueled in part by increased competition for housing as a result of retirees moving into the area and commuters who travel outside the region for employment. Not only does this create a tighter housing market, but these consumers can also generally afford to pay more for housing. Many long-time residents as well as the rapidly growing immigrant population have limited earning potential and are becoming more dependent on subsidies to obtain housing or are forced to live in crowded conditions. As a result, the rising demand for Housing Choice Vouchers continues to exceed the availability of subsidy assistance.

- **The availability of affordable housing is decreasing.**

  Landlords with affordable units are becoming less willing to accept vouchers due to a history of tenant late payment or

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

other prior tenant problems. This "Section 8" stigma limits the number of units that are available, even if a voucher is obtained. There is a need to educate landlords as to the advantages of participation and to dispel stereotypes.

Related Issues Identified through Needs Analysis

- **Rapid household growth has exceeded the increase in housing units, creating tight market conditions.**

  During the 1990s, the Harrisonburg area experienced household growth well above the statewide average. The rate of household growth exceeded the increase in housing units. Consequently, both homeowner and rental vacancy rates declined, creating a tight market situation.

- **Nevertheless, strong employment and income growth have helped to maintain housing affordability for the average household.**

  The Harrisonburg area experienced strong employment growth that supported above-average increases in household and per capita income. As a result, incomes for average households have risen faster than rents. The share of median income required to afford rental housing is below the average for non-metropolitan urban areas and the state as a whole.

- **Increased overall affordability has not benefited the lowest income populations.**

  Households living on limited fixed benefit incomes and households reliant on minimum wage employment have not benefited by the area's overall economic gains. Their incomes have not kept pace with rising housing costs. Instead, they face a large and widening gap between their limited incomes and prevailing market rents. The rent for a one-bedroom unit now requires over three quarters of the income of a disabled person relying on Supplemental Security Income (SSI). The earnings needed to afford a one-bedroom rental unit are 50 percent higher than the minimum wage.

1. Rising demand is decreasing the availability of affordable housing options.

(continued)

- **Rapid growth at JMU has increased competition for rental housing**

  The rapid increase in rental housing demand in the Harrisonburg area intensified competition between students, lower income households and a large influx of Hispanic immigrants for limited available units. The competition for affordable rental housing in a tight rental market was cited frequently by forum participants.

- **Growing rental demand has reduced the homeownership rate.**

  The Harrisonburg area has a below-average homeownership rate due to the impact of the large student renter population at James Madison University. That population grew rapidly during the 1990s, and impacted housing conditions in Harrisonburg more than student growth did in either Blacksburg or Charlottesville. Harrisonburg's rate of increase in rental housing was far larger than in Blacksburg or Charlottesville. In turn, Harrisonburg had a larger decline in homeownership than Blacksburg, while Charlottesville experienced an increase in homeownership due to very strong economic conditions.

- **Disparities in homeownership have increased.**

  The area's decline in homeownership exacerbated city/county and racial disparities. The City of Harrisonburg experienced a three percentage point drop in its homeownership rate, while in Rockingham County the decline in the homeownership rate was negligible. This increased an already large disparity between the extremely low homeownership rate in the city (second lowest in the state next to Fredericksburg's) and the high homeownership rate in Rockingham County. The homeownership rate for Blacks fell while the homeownership rate for non-Hispanic Whites held steady. This increased the already wide disparity between these groups. The one bright spot was the homeownership rate among the rapidly growing Hispanic population, which rose by more than four percentage points.

- **There is relatively less availability of assisted and deep subsidy units than in other market areas.**

  The area has below-average ratios of assisted and deep subsidy units per 1000 renter households. This is partly due

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

to the large student renter population. Nevertheless, ratios for both elderly and family units are below statewide levels. Furthermore, the gap is widening. The growth in renter households outstripped the increase in total assisted family units as well as the increase in both family and elderly deep subsidy units. Consequently, Harrisonburg is the only market in Virginia in which the ratio of total deep subsidy units per 1000 renter households has declined. In 2000, that ratio was just three quarters the statewide level.

2. Special needs housing and support services are inadequate.

Priority Issues Identified by Forum Participants

- **Seniors need increased assistance and support in order to remain in their homes.**

  There is a growing need for assistance to help people stay in their homes. This includes making adaptations as residents age, and maintaining and repairing aging housing to ensure it is safe.

- **Transitional housing choices are inadequate.**

  There is a growing need for readily accessible transitional housing for those in need such as people with mental disabilities, seniors, and victims of abuse. Deinstitutionalization has helped to increase this need and few housing options exist for people transitioning from one housing situation to another. There is an increasing demand for beds in emergency shelters for the homeless and temporary housing for families in crisis.

- **Demand for accessible housing is increasing.**

  Demand is also increasing for housing that is appropriate for people with physical disabilities. Many people do not realize what "accessible" really means and few units are available to the disabled. Affordability is a key issue as many disabled people have limited earning potential.

- **Mobility and support services are required.**

  Housing for people with special needs is not always convenient to other necessary support services such as shopping, medical services, and public transportation. There is a need for increased housing that is close to services as well as employment opportunities.

3. There is insufficient awareness, commitment, and support to make housing a priority issue in the region.

Priority Issues Identified by Forum Participants

- **Local governments need to increase support for housing.**

  Concerns were expressed that local governments are reluctant to address the variety of housing needs in the region. This reluctance may arise from a lack of awareness of the extent of needs as well as a perception that additional housing will produce increased demands for additional public expenditures for schools and other support services. Concern was also expressed that current government policies, including zoning ordinances, are restricting housing choices due to increased costs to meet zoning demands or the lack of sites suitably zoned for needed residential development.

- **Increased community awareness and support are needed.**

  The general public is not aware of the extent of housing needs, nor does it have a thorough understanding of the issues affecting affordable and accessible housing. This lack of awareness and support hampers the development of local political will to address these issues.

- **A more regional response is needed.**

  Regional approaches to addressing housing needs are insufficient. This includes not only local government responses, but also the lack of regional coordination among existing public and private housing organizations and programs.

- **Housing needs to be more integrated into community planning activities.**

  A holistic approach is needed to tie affordable and accessible housing more closely to community planning and development. There is a need to seek more creative solutions to housing issues instead of pursuing traditional approaches. There is also a need to develop more leadership in the arena of housing development in the non-urbanized areas of the region.

4. There are barriers to accessing assistance.

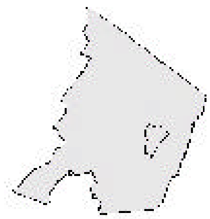
Priority Issues Identified by Forum Participants

- **Housing program options are too limited.**

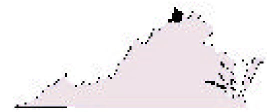
  More options are needed among the "products" offered for housing assistance. Flexibility in program design needs to be increased and limits on service and income levels need to be broadened.

- **Credit and financial management problems hinder homeownership.**

  Many people in need of housing are not knowledgeable about credit requirements for home purchase. They are unable to acquire money for homeownership because of problems with work history, debt, credit history and/or references. Credit and financial management counseling are needed to help people qualify for program assistance and commercial loans.



Winchester Market Area



Core Locality: Winchester City

Surrounding Locality: Frederick County

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Harrisonburg on March 6, 2001 to solicit public input on housing needs and priorities in small urban and rural regions in northern and western Virginia. Over fifty persons participated in small, facilitated discussion groups at this forum representing housing needs and interests in the Winchester, Staunton-Waynesboro, Harrisonburg, Charlottesville, Northern Valley-Piedmont, and Alleghany Highlands housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Winchester area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forum.

Four Major Themes and Associated Issues Identified at the Harrisonburg Forum

1. Rising demand is decreasing the availability of affordable housing options.

Priority Issues Identified by Forum Participants

- **There is a rising gap between wages and housing costs.**

  The difference between what people can earn and what people have to pay for housing is increasing in the region. This growing gap is fueled in part by increased competition for housing as a result of retirees moving into the area and commuters who travel outside the region for employment. Not only does this create a tighter housing market, but these consumers can also generally afford to pay more for housing. Many long-time residents as well as the rapidly growing immigrant population have limited earning potential and are becoming more dependent on subsidies to obtain housing or are forced to live in crowded conditions. As a result, the rising demand for Housing Choice Vouchers continues to exceed the availability of subsidy assistance.

- **The availability of affordable housing is decreasing.**

  Landlords with affordable units are becoming less willing to accept vouchers due to a history of tenant late payment or

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

other prior tenant problems. This "Section 8" stigma limits the number of units that are available, even if a voucher is obtained. There is a need to educate landlords as to the advantages of participation and to dispel stereotypes.

Related Issues Identified through Needs Analysis

- **Rapid household growth has exceeded the increase in housing units, reducing vacancies and housing options.**

  During the 1990s, the Winchester area experienced household growth well above the statewide average. The rate of household growth exceeded the rate of increase in housing units. Consequently, both homeowner and rental vacancy rates declined. This has reduced the level of housing choice in the marketplace. Overall housing market conditions have not yet become as tight as they are in Harrisonburg and Charlottesville due to the high homeowner vacancy level that prevailed in 1990. However, rental vacancies have fallen below five percent.

- **Very strong employment and income growth have helped to maintain housing affordability for the average household.**

  The Winchester area experienced very high employment growth that supported large increases in household and per capita income. As a result, incomes for average households have risen faster than rents. The share of median income required to afford rental housing is slightly above the average for non-metropolitan urban areas, but is below the statewide average.

- **Increased overall affordability has not benefited the lowest income populations.**

  Households living on fixed benefit incomes and households reliant on minimum wage employment have not benefited by the area's overall income gains. Their incomes have not kept pace with rising housing costs. Instead, they face a large and widening gap between their limited incomes and prevailing market rents. The rent for a one-bedroom unit now requires 85 percent of the income of a disabled person relying on Supplemental Security Income (SSI). The earnings needed to afford a one-bedroom rental unit are 70 percent higher than the minimum wage.

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

- **Not all groups have benefited from the area's large increase in homeownership.**

  During the 1990s, strong economic conditions and high rates of in-migration helped the area achieve the largest increase in the homeownership rate among non-metropolitan urban markets. However, the overall gain in homeownership was not shared by all groups. The area has large and widening disparities in homeownership by race and ethnicity. The homeownership rate for Hispanics declined substantially during the 1990s. Homeownership among Blacks increased only marginally.

- **There is extremely limited availability of assisted and deep subsidy units.**

  The area has a larger rental affordability gap than other non-metropolitan urban areas. During the 1990s, there were very high percentage increases in the area's inventory of deep subsidy units. Nevertheless, the area continues to have very low ratios of assisted and deep subsidy units per 1000 renter households. The area's ratios of total assisted units per 1000 renter households are among the lowest in the state.

  The largest disparities with other market areas are in family units. The ratio of total assisted family units per 1000 non-elderly renter households is the lowest of any market area except the Eastern Shore and is less than half the statewide level. The ratio of deep subsidy family units per 1000 non-elderly renter households is extremely low. It is by far the lowest of any market area in the state and is just two percent of the statewide level.

  Disparities for elderly housing are not as great, but are still large. The Winchester area's ratio of total assisted elderly units per 1000 elderly renter households is the third lowest among the state's 21 housing markets, and is just 63 percent of the statewide level. The area's ratio of deep subsidy elderly units per 1000 elderly renter households is the fifth lowest, and is less than 80 percent of the state level.

  For the lowest income populations, the best overall measures of the relative availability of affordable housing are the ratios of total deep subsidy units per 1000 renter house-

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

holds and total deep subsidy units per 1000 persons in poverty. By the first measure, the Winchester area has the lowest availability of units of any market area (a third the state level). By the second measure, the area's availability of units is the lowest of any market except the Northern Neck-Middle Peninsula (40 percent of the state level).

2. Special needs housing and support services are inadequate.

Priority Issues Identified by Forum Participants

- **Seniors need increased assistance and support in order to remain in their homes.**

  There is a growing need for assistance to help people stay in their homes. This includes making adaptations as residents age, and maintaining and repairing aging housing to ensure it is safe.

- **Transitional housing choices are inadequate.**

  There is a growing need for readily accessible transitional housing for those in need such as people with mental disabilities, seniors, and victims of abuse. Deinstitutionalization has helped to increase this need and few housing options exist for people transitioning from one housing situation to another. There is an increasing demand for beds in emergency shelters for the homeless and temporary housing for families in crisis.

- **Demand for accessible housing is increasing.**

  Demand is also increasing for housing that is appropriate for people with physical disabilities. Many people do not realize what "accessible" really means and few units are available to the disabled. Affordability is a key issue as many disabled people have limited earning potential.

- **Mobility and support services are required.**

  Housing for people with special needs is not always convenient to other necessary support services such as shopping, medical services, and public transportation. There is a need for increased housing that is close to services as well as employment opportunities.

3. There is insufficient awareness, commitment, and support to make housing a priority issue in the region.

Priority Issues Identified by Forum Participants

- **Local governments need to increase support for housing.**

  Concerns were expressed that local governments are reluctant to address the variety of housing needs in the region. This reluctance may arise from a lack of awareness of the extent of needs as well as a perception that additional housing will produce increased demands for additional public expenditures for schools and other support services. Concern was also expressed that current government policies, including zoning ordinances, are restricting housing choices due to increased costs to meet zoning demands or the lack of sites suitably zoned for needed residential development.

- **Increased community awareness and support are needed.**

  The general public is not aware of the extent of housing needs, nor does it have a thorough understanding of the issues affecting affordable and accessible housing. This lack of awareness and support hampers the development of local political will to address these issues.

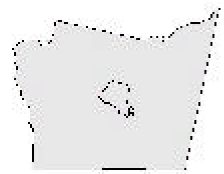
- **A more regional response is needed.**

  Regional approaches to addressing housing needs are insufficient. This includes not only local government responses, but also the lack of regional coordination among existing public and private housing organizations and programs.

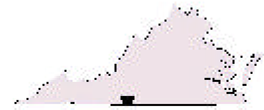
- **Housing needs to be more integrated into community planning activities.**

  A holistic approach is needed to tie affordable and accessible housing more closely to community planning and development. There is a need to seek more creative solutions to housing issues instead of pursuing traditional approaches. There is also a need to develop more leadership in the arena of housing development in the non-urbanized areas of the region.

3. There is insufficient awareness, commitment, and support to make housing a priority issue in the region. (continued)	**Related Issues Identified through Needs Analysis** • **Not all jurisdictions have a local Housing Choice Voucher program.** Frederick County has no local Housing Choice Voucher program. This limits access to affordable rental housing by the lowest income populations outside of Winchester City.
4. There are barriers to accessing assistance.	**Priority Issues Identified by Forum Participants** • **Housing program options are too limited.** More options are needed among the "products" offered for housing assistance. Flexibility in program design needs to be increased and limits on service and income levels need to be broadened. • **Credit and financial management problems hinder homeownership.** Many people in need of housing are not knowledgeable about credit requirements for home purchase. They are unable to acquire money for homeownership because of problems with work history, debt, credit history and/or references. Credit and financial management counseling are needed to help people qualify for program assistance and commercial loans.



Martinsville Market Area



Core Locality: Martinsville City

Surrounding Locality: Henry County

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Roanoke on March 14, 2001 to solicit public input on housing needs and priorities in the small metropolitan and non-metropolitan urban areas in south central and western Virginia. Sixty-nine persons participated in small, facilitated discussion groups at the forum representing housing needs and interests in the Martinsville, Roanoke, Lynchburg, Danville, and Blacksburg housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Martinsville area. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the six primary themes arising from public discussion at the forum.

Six Major Themes and Associated Issues Identified at the Roanoke Forum

1. The availability of affordable housing is very limited.

Priority Issues Identified by Forum Participants

- **The affordable housing stock is in poor condition.**

  Affordable housing is in substandard condition. The high cost of materials inhibits rehabilitation and repair. Some existing homes are deteriorating because owners do not have the financial resources for repair and maintenance, especially the elderly and others on fixed incomes. Many of these people live in older homes that require more costly repairs.

- **The gap between incomes and housing costs is growing.**

  People earning low wages or on fixed incomes have limited housing choices. High-value new construction is increasing the cost of housing for lower income individuals. Limited land available for development and rising real property taxes contribute to increased housing costs. In addition, upfront costs (such as deposits, advanced rents, etc.) hinder the working poor from finding suitable housing.

1. The availability of affordable housing is very limited.
(continued)

Related Issues Identified through Needs Analysis

- **The region's multifamily housing stock is aging.**

  During the 1990s, housing market conditions were extremely weak in the Martinsville area. Housing units increased at a much higher rate than households due to significant out-migration from the region. There were substantial increases in homeowner and rental vacancies, a low level of multifamily housing construction, and a very small net increase in multifamily units. Consequently, the average age of the area's multifamily housing has risen, and more units need rehabilitation and repair. An aging housing stock, weak market demand, and limited purchasing power all feed the disinvestment cycle cited by forum participants, and help to explain their concerns about rental housing quality.

- **Several factors cause concern about rental housing costs despite improved or stable overall affordability.**

  For the average Martinsville area household, rental housing affordability has improved. The share of median income needed to afford a one-bedroom unit is only slightly higher than the average for non-metropolitan urban areas and less than the statewide average. Income growth was extremely weak due to a nearly 10 percent decline in area jobs. Nevertheless, weak rental demand resulting from out-migration, has kept rent levels comparatively low.

  Nonetheless, low-income households that do not live in assisted housing continue to face challenges in affording housing. Unassisted rental housing in the Martinsville area remains unaffordable to the lowest income populations. The earnings needed to afford a one-bedroom unit at prevailing market rents are 36 percent higher than the minimum wage. The rent for a one-bedroom unit now requires two-thirds of the income of a disabled person relying on Supplemental Security Income (SSI).

  There is also low availability of assisted and deep subsidy rental units in the Martinsville area. The ratios of total assisted family and elderly units per 1000 renter households are 60 percent of the statewide level. The area's ratio of deep subsidy family units per 1000 non-elderly renter households is 50 percent of the state ratio. The area's ratio of deep subsidy elderly units per 1000 elderly renter households is 76 percent of the state ratio.

1. The availability of affordable housing is very limited.
(continued)

Low levels of project-based subsidies are partly made up for by a relatively high availability of tenant-based deep subsidies. Unlike many other markets in Virginia, the Martinsville area has sufficient rental vacancies to support an adequately functioning tenant-based program. Nevertheless, the area has below-average availability of total deep subsidy units. The area's ratio of total deep subsidy units per 1000 renter households is ten percent below the statewide level, and the ratio of total deep subsidy units per 1000 persons in poverty is only two-thirds the state level.

Furthermore, the number of people in need is growing. In 1997, the area had a poverty rate above the statewide average. The difference in the local and statewide incidence in poverty has likely grown since then as most of the area's substantial losses in textile jobs have occurred since 1997. Recently, announcements have been made of approximately 2,300 additional job losses in the area's textile industry that will put further pressure on wages and incomes.

- **There are also problematic trends in homeownership.**

High usage of manufactured homes have helped support continued single-family affordability and a high rate of homeownership in the Martinsville area. During the 1990s, over two-thirds of the net increase in single-family units were manufactured homes. Nevertheless, the area's homeownership rate declined during the 1990s due to weakened purchasing power and widening disparities in homeownership rates between non-Hispanic Whites and minorities.

The Martinsville area has a much higher minority share of population than other non-metropolitan urban markets. Therefore, racial and ethnic disparities have a significant impact on the area's overall homeownership rate. While the disparity in homeownership rates for non-Hispanic Whites and Blacks in the Martinsville area is moderate compared to the disparity in most other urban markets, the disparity between non-Hispanic Whites and Hispanics is very large. Over the past decade, the homeownership rate for Hispanics declined by nearly 25 percent.

Another factor impacting affordability is household composition. During the 1990s, households with children declined by over three percent in the Martinsville area. Virtually the entire increase in area households was made

1. The availability of affordable housing is very limited. (continued)	up of single-persons. Generally, single-income households are more challenged in affording housing than are households with two incomes.
2. Rental properties are deteriorating and disincentives exist for maintenance and repair.	**Priority Issues Identified by Forum Participants** • **Rental properties are deteriorating.** Some landlords, especially absentee landlords, do not care if buildings deteriorate. There are limited laws to hold property owners accountable and few staff to enforce codes and regulations. Some landlords and renters may not be aware of their rights, responsibilities, and obligations. Some renters do not care if buildings deteriorate and those that do care have no other alternatives • **There are disincentives to investment.** It is sometimes more financially beneficial for owners of rental properties in cities to make cosmetic repairs and leave properties vacant than bear the repair and management costs of renting their property. Local property taxes favor deferred maintenance on rental properties. • **Housing disinvestment is hurting neighborhoods.** Poorly maintained rental properties negatively impact surrounding areas, reduce the incentive for other owners to invest in maintenance, and have negative impacts on the neighborhood such as increased crime and sanitation problems. Vacant and abandoned properties are difficult to upgrade or replace at a reasonable cost.
3. Demand for housing for people with special needs is increasing.	**Priority Issues Identified by Forum Participants** • **The need for transitional and long-term housing is increasing.** Hospital and rehabilitation discharge policies are increasing the number of low-income people with disabilities who are in danger of becoming homeless. This includes people with mental or physical disabilities, seniors, and others whose caregivers are aging or have passed away. Quality assisted living options are needed for the disabled with access to support system programs and services.

4. Housing policies impact the affordability and supply of housing.

Priority Issues Identified by Forum Participants

- **Government policies limit housing choices.**

  Local governments do not view housing needs as a priority. There is a perceived disinterest at the local, state, and national level in providing policy and financial resources that promote affordable housing, such as adequate/proper zoning laws and building codes. Local governments are not motivated to disperse low-income housing throughout the region because it is cheaper and easier to cluster. Zoning laws prevent manufactured housing development and institute excessive hidden housing costs such as lateral utility hookups and fees.

- **There is a dichotomy between the housing needs of low-income people and the interests of developers and local governments.**

  The profit motivation of developers and landlords, and local governments' need to balance revenues and service costs, frequently diverge from the need of low-income people for decent, safe, and affordable housing.

5. People in need are not always aware of or in a position to take advantage of available options for assistance.

Priority Issues Identified by Forum Participants

- **Consumers are unaware of available options.**

  Some potential first time homebuyers are unfamiliar with the home buying process or are not sure they can take on the responsibility of homeownership. New homeowners are not always aware of their rights and responsibilities as owners or what is required for adequate maintenance and repair.

- **Credit and financial counseling are needed.**

  Many individuals do not understand the importance of their credit rating and do not do a good job managing their finances. Education is needed—starting while people are still in school—that will provide knowledge on basic budgeting and life skills. Training and support is needed on checkbook balancing, money management, and credit counseling.

6. Greater flexibility is needed within program guidelines.	Priority Issues Identified by Forum Participants
	• **Program guidelines are too restrictive.** The description of "family" according to VHDA guidelines creates serious problems in providing housing finance to low-income households. Approval guidelines are too strict and complicate the process. Credit rules do not take into account the financial difficulties within the low-income community. Flexible programs are needed for the elderly and disabled.

Conditions and Trends Impacting Housing Needs, 1990-2000

This section compares key conditions and trends impacting housing needs in the five non-metropolitan urban areas of Virginia. It looks only at those factors for which market-specific data is available and for which trends and conditions differ meaningfully from those that prevail statewide. Therefore, it is more abbreviated than the broader review provided in Part I—Statewide Overview.

Non-Metropolitan Urban Housing Markets

Blacksburg

- **Core Localities:** Montgomery County (Blacksburg and Christiansburg Towns); Radford City
- **Surrounding Localities:** Giles, Montgomery (unincorporated areas), and Pulaski Counties

Staunton-Waynesboro

- **Core Localities:** Staunton and Waynesboro Cities
- **Surrounding Locality:** Augusta County

Harrisonburg

- **Core Locality:** Harrisonburg City
- **Surrounding Locality:** Rockingham County

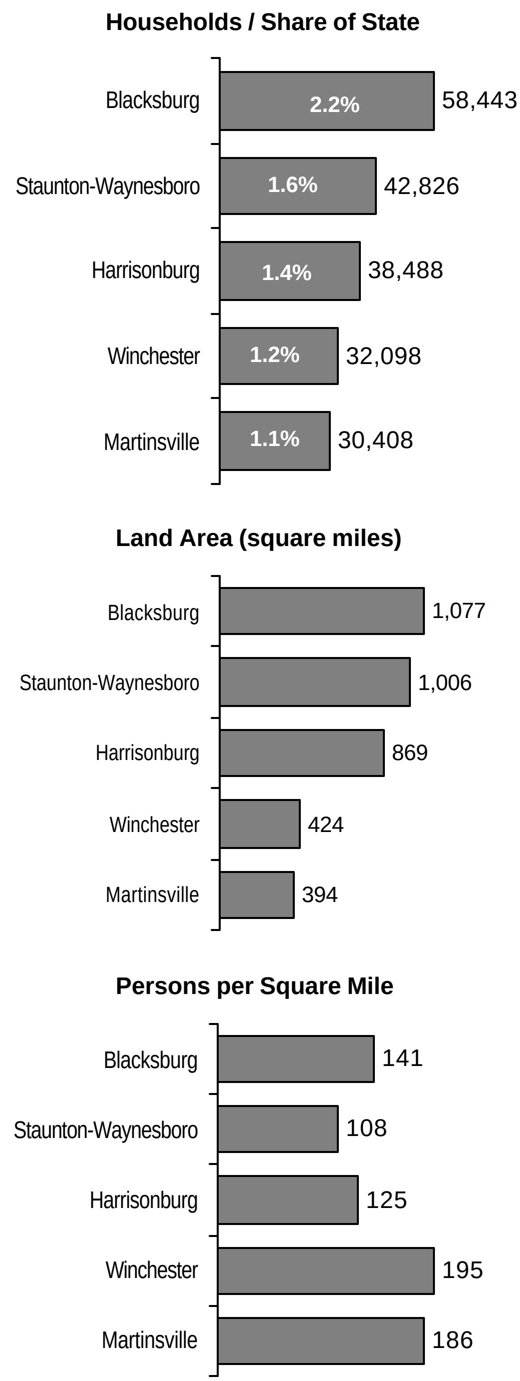
Winchester

- **Core Locality:** Winchester City
- **Surrounding Locality:** Frederick County

Martinsville

- **Core Locality:** Martinsville City
- **Surrounding Locality:** Henry County

Market Area Characteristics: 2000

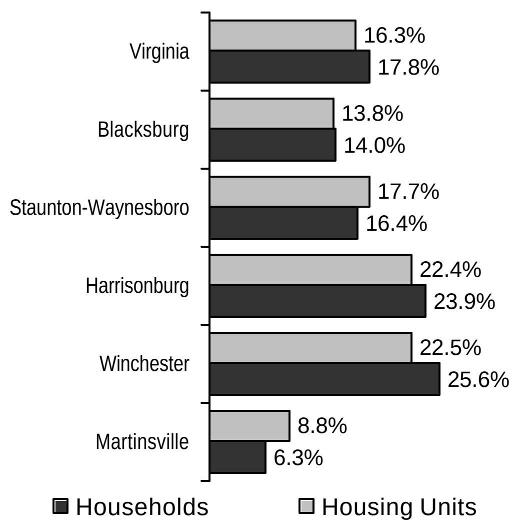


Source: Table 2A and U.S. Census Bureau

Growth in Households and Housing

Household growth differed significantly among the non-metropolitan urban areas.

Change in Households and Housing: 1990-2000



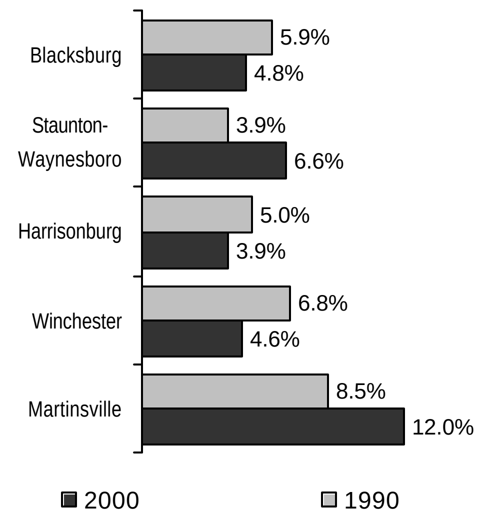
Source: Tables 1 and 2A

During the 1990s, there was considerable variation in the rate of household growth in the non-metropolitan urban markets. In the northern portion of the state, household growth in the Harrisonburg and Winchester areas was substantially above the statewide average. In the central and southwestern regions, there was below-average growth in the Staunton-Waynesboro, Blacksburg and Martinsville areas (Table 2A).[1] Household growth was especially slow in the Martinsville market, where poor economic conditions led to net substantial out-migration.

There were also differences in the balance of housing supply and demand.

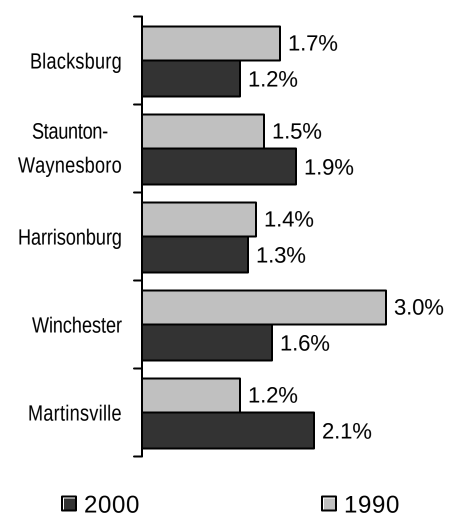
In the rapidly growing Harrisonburg and Winchester markets, housing production did not keep pace with the increase in households. Consequently, both areas are experiencing tight rental market conditions. Homeowner vacancy rates have also fallen. Winchester had a substantial drop in homeowner vacancies, but started the decade with a relatively high vacancy rate, so that market conditions are not yet tight. Harrisonburg had a small drop in homeowner vacancies.

Rental Vacancy Rate: 1990 and 2000



Source: Table 2B

Homeowner Vacancy Rate: 1990 and 2000



Source: Table 2B

[1] Data tables are at the end of each part of the report.

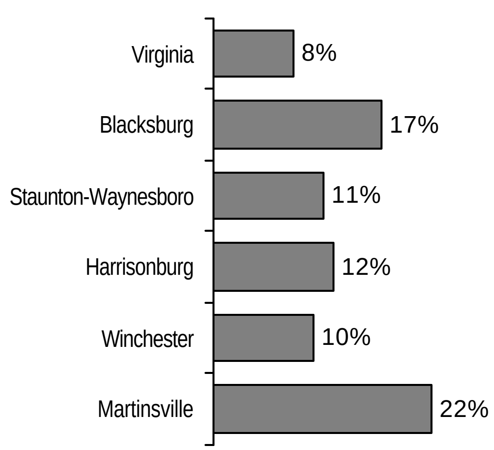
In slower growing Staunton-Waynesboro and Martinsville, the increase in housing units exceeded household growth. Both rental and homeowner vacancy rates have increased in these two markets. The jump in vacancies has been especially large in the Martinsville area where large losses of jobs occurred late in the decade following earlier increases in the housing stock.

An exception to the overall pattern is Blacksburg. The Blacksburg area, like the adjacent Roanoke market, experienced below-average rates of household and housing growth. Nonetheless, household growth in both Blacksburg and Roanoke exceeded the rate of increase in housing by a small amount. The Blacksburg area, like Roanoke, has had declines in both homeowner and rental vacancy rates (Tables1, 2A and 2B).

Use of manufactured homes varies widely in the five markets.

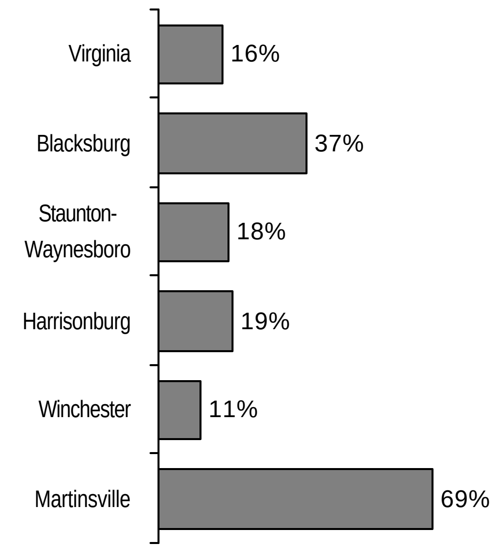
In all five markets, manufactured homes represent a larger share of total units than statewide. In the central and northern Shenandoah Valley (Staunton-Waynesboro, Harrisonburg and Winchester), the share of manufactured homes is moderately above the statewide average, whereas in Blacksburg and Martinsville, the share of manufactured homes is two to three times the statewide level (Table 1).

Manufactured Homes Share of Total Units: 2000



Source: Table 1

Manufactured Homes Share of Net Increase in Single-Family Housing Units: 1990-2000



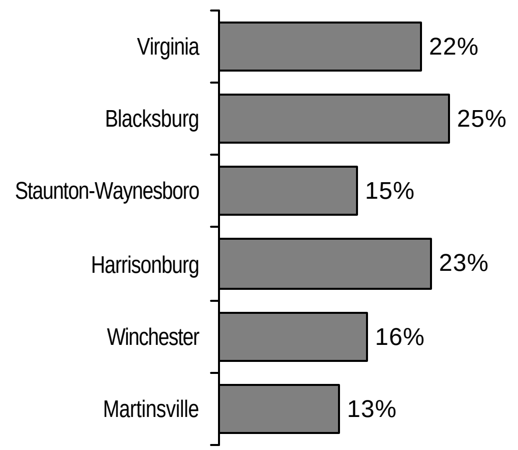
Source: Table 1

During the 1990s, there was a widening divergence among the five markets in the use of manufactured homes. In the Winchester area, the share of new single-family units that were manufactured units lagged well behind the statewide average, whereas in Blacksburg the share of manufactured homes was more than double the statewide level, and in Martinsville manufactured units represented over two thirds of the net increase in single-family housing.

The non-metropolitan urban areas also experienced divergent patterns of single-family and multi-family growth.

Generally, there is a relationship between population density and the share of multifamily units. Most of the non-metropolitan urban areas have a lower share of multifamily units than does the state. The two exceptions are Blacksburg and Harrisonburg, which have a larger share of multifamily units as a result of rental housing demand generated by Virginia Tech and James Madison University (Table 1).

Multifamily Share of Total Units: 2000



Source: Table 1

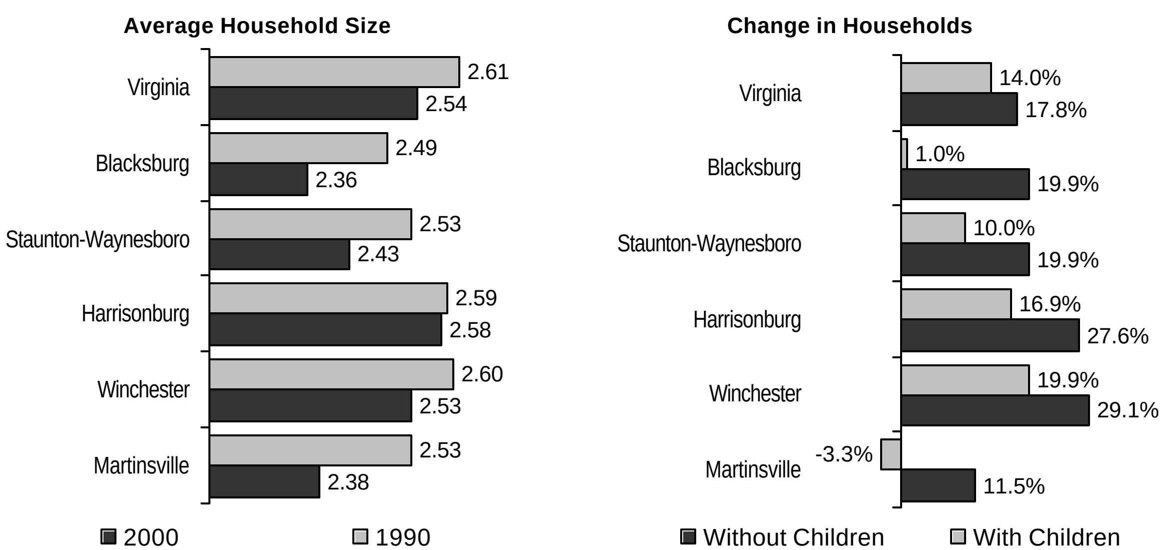
Statewide, the increase in single-family units was much larger than the increase in multifamily units. This reflected the strong demand for home purchase generated by demographic trends and declining interest rates. This same pattern occurred in the Staunton-Waynesboro, Winchester and Martinsville areas.

University growth altered the pattern in Blacksburg and Harrisonburg. In the Blacksburg area, the rate of increase in multifamily units only slightly lagged the growth in single-family homes. In Harrisonburg, where JMU had substantial increases in enrollment, multifamily housing units increased at three times the statewide rate and at a rate 50 percent higher than the increase in single-family homes.

Housing stock changes also reflect shifts in household composition.

The Martinsville area had a decline in households with children and, in the Blacksburg area, households with children barely increased. As a result, both markets experienced a large drop in average household size, and now have average household sizes

Changes in Household Size and Composition: 1990-2000



Source: Table 7

well below the statewide level (Table 7). In all Virginia market areas, childless households have far lower homeownership rates than do households with children. These demographic trends contributed to the above-average increase in multifamily units in the Blacksburg area, whereas in Martinsville weak economic conditions and out-migration inhibited the production of new multifamily housing.

In the Winchester and Harrisonburg areas, households with children grew more rapidly than in the state as a whole. Both markets had relatively small declines in average household size and above-average increases in both single-family and multifamily units. Harrisonburg had a very small drop in average household size, despite the large increase in its student population, because of the significant in-migration of Hispanics. These new households also contributed to increased rental housing demand. This helps explain the large increase in multifamily units in the Harrisonburg area despite relatively large and stable average household size.

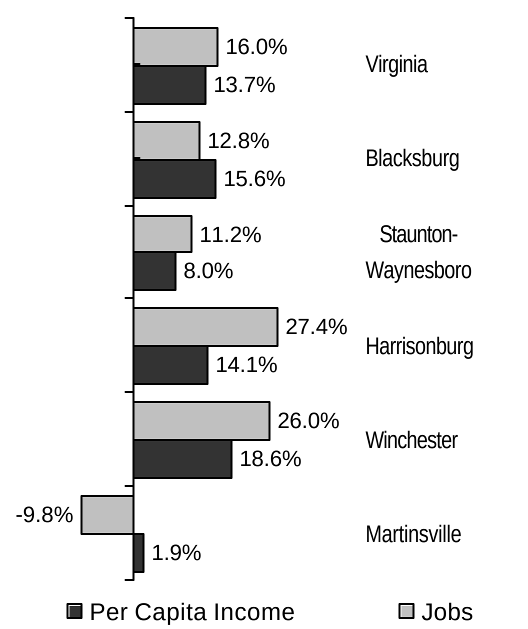
Income and Purchasing Power

Generally, job and income growth has mirrored household growth.

Generally, the pattern of job and income growth in the five non-metropolitan urban areas has mirrored the increase in households. During the 1990s, the Harrisonburg and Winchester areas had rates of job and income growth in excess of the statewide level, while the increase in jobs and income generally lagged behind the state rate in the other non-metropolitan urban markets. One exception was the Blacksburg area where per capita income increased at a faster rate than in the state as a whole. This was likely due to both increases in relatively higher paying jobs as well as the sharp decline in average household size that helped increase income measured on a per capita basis (Table 4).

The divergence among market areas was most pronounced in regard to the net change in jobs. The growth rate was double the statewide average in Harrisonburg and Winchester. In contrast, Martinsville had a net loss of nearly 5,000 jobs due to major textile facility closures. Those heavy losses have continued since 2000, with approximately 2,300 additional jobs expected to be eliminated as a result of recently announced textile plant shutdowns.

Growth in Jobs and Real Per Capita Income: 1990-1999



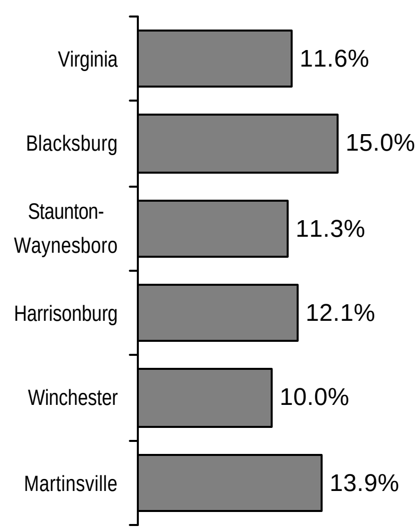
Source: Table 4

Poverty rates in the small metropolitan markets vary based on trends in jobs and income as well as other factors.

A number of factors have influenced the level of poverty in the non-metropolitan urban areas. In the Winchester area, high rates of job and income growth have resulted in a poverty rate below the state average. Likewise, in Martinsville, declining jobs and very low growth in income have produced a poverty level above the state rate. The most recent data on local poverty is for 1997. The poverty rate in the Martinsville area may well have increased further relative to the state average, because the most significant job losses have occurred since 1997.

The other three non-metropolitan urban markets deviate from this pattern. In the Blacksburg and Harrisonburg areas, large student populations result in poverty rates higher than changes in jobs and income would otherwise suggest. The Staunton-Waynesboro area began the 1990s with the second highest per capita income level among the five non-metropolitan urban markets and so was able to maintain its poverty rate near the state level despite below average growth in jobs and income.

Poverty Rate: 1997



Source: Table 5

Housing Affordability

Rental affordability appears to have increased for most households.

Available data suggests that inflation-adjusted rents fell during the early and middle 1990s. This trend has continued since 1997, with non-metropolitan urban areas experiencing further declines in inflation-adjusted "Fair Market Rents" (FMRs) as determined by HUD (Table 9A).[2]

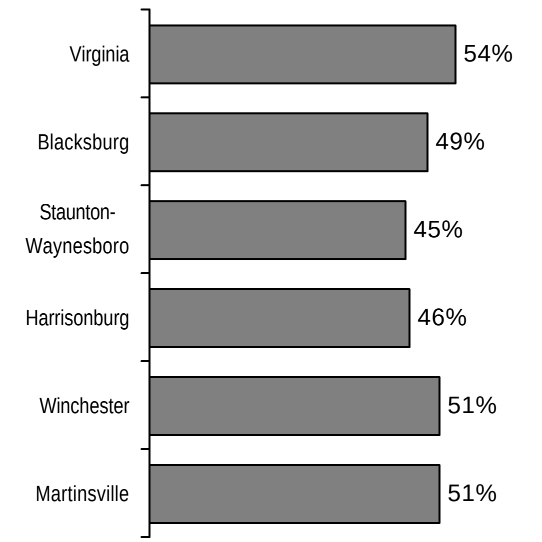
Despite overall increases in affordability, most low-income households still cannot afford adequate housing.

The housing affordability standard established by the federal government is payment of no more than 30 percent of gross income for rent and utilities. Using this standard, a lower share of median income is needed to afford a standard apartment in each of the non-metropolitan urban markets than in the state as a whole (Table 9A). Nevertheless, a majority of low-income households cannot afford housing at prevailing market rents.

The minimum income needed to afford adequate rental housing in non-metropolitan urban markets ranges from 45 to 51 percent of median income for a one-bedroom unit, from 43 to 48 percent of median income for a

[2] Rental affordability is difficult to measure at the local level due to the limited availability of comprehensive and timely data on rental rates for specific housing markets. The one available statewide measure of prevailing local rent levels is "Fair Market Rents (FMRs)" which are established annually by HUD based on surveys of actual rents being charged in the marketplace. While useful, FMRs are imperfect measures. The methodology for determining FMRs has changed over time, making it difficult to accurately compare changes in rents between 1990 and 2000. Nevertheless, available data show a general pattern of increased affordability over the past decade.

Minimum Income Needed to Afford a Standard One-Bedroom Rental Unit as a Share of Area Median Income: 2001



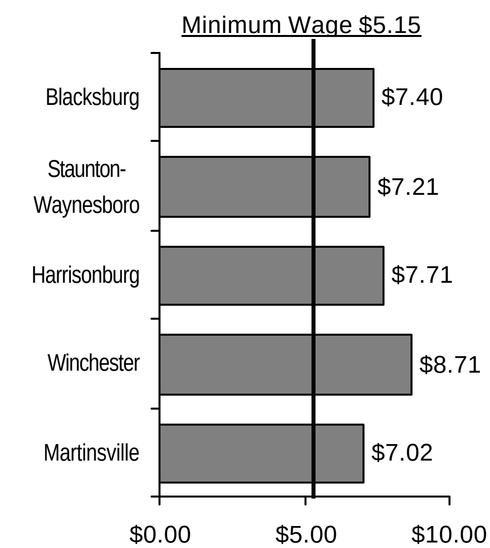
Source: Table 9A

two-bedroom unit, and from 47 to 54 percent of median income for a three-bedroom unit (Table 9A).[3] Rental affordability is highest in the Staunton-Waynesbo area, which has median income that is 75 percent of the statewide level, but rents that are less than two thirds of the state average. Affordability is lowest in the Winchester area, which has median income that is 80 percent of the statewide level, and rents that are 76 percent of the state average.

The gap between the cost of adequate housing and the resources of the lowest income populations is large.

The lowest income populations—homeless people, people with disabilities, seniors depending primarily or exclusively on Social Security income, and minimum wage workers—all experience a large gap between their limited incomes and the cost of adequate rental housing. Rent and utilities for a one-bedroom apartment in non-metropolitan urban areas range from 69 percent of income to 85 percent of income for a disabled person living on Supplemental Security Income (SSI). The Full-time hourly wage needed to afford a one-bedroom unit at prevailing market rents ranges from $7.02 in Martinsville, to $8.71 in Winchester. These earning levels are well above the current minimum wage of $5.15. (Table 9B).

Full-Time Hourly Wage Needed to Afford a One-Bedroom Rental Unit: 2001



Source: Table 9A

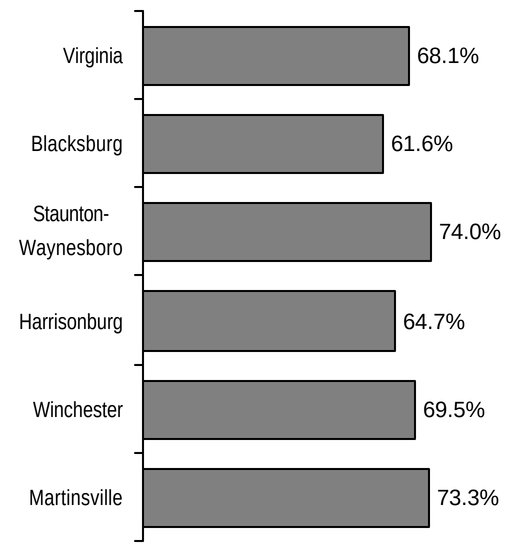
Homeownership

In most areas, the rise in homeownership was lower than in the state as a whole.

Homeownership in non-metropolitan urban areas is generally above the statewide level with the exception of the Blacksburg and Harrisonburg markets, which have large

[3] Estimates are based on current HUD "Fair Market Rents" and HUD estimates of median family income adjusted for family size. The following household sizes were used to estimate the percent of area median income for units of various bedroom sizes: one-person household for a one-bedroom unit; three-person household for a two-bedroom unit; and a five-person household for a three-bedroom unit.

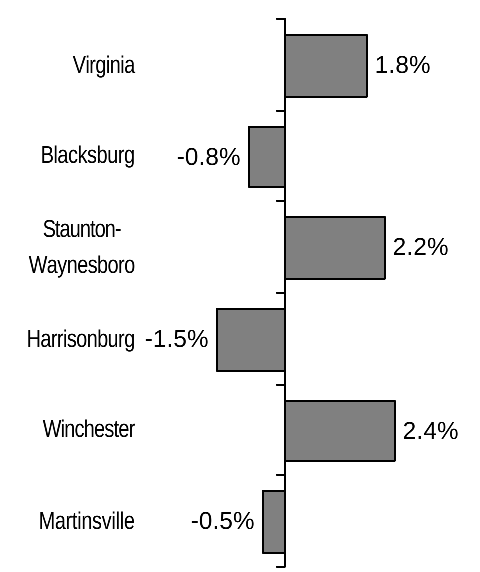
Homeownership Rate: 2000



Source: Table 3A

student renter populations. Homeownership rates are especially high in the Staunton-Waynesboro and Martinsville areas where nearly three quarters of all households own a home (Table 3A).

Change in Homeownership Rate: 1990-2000

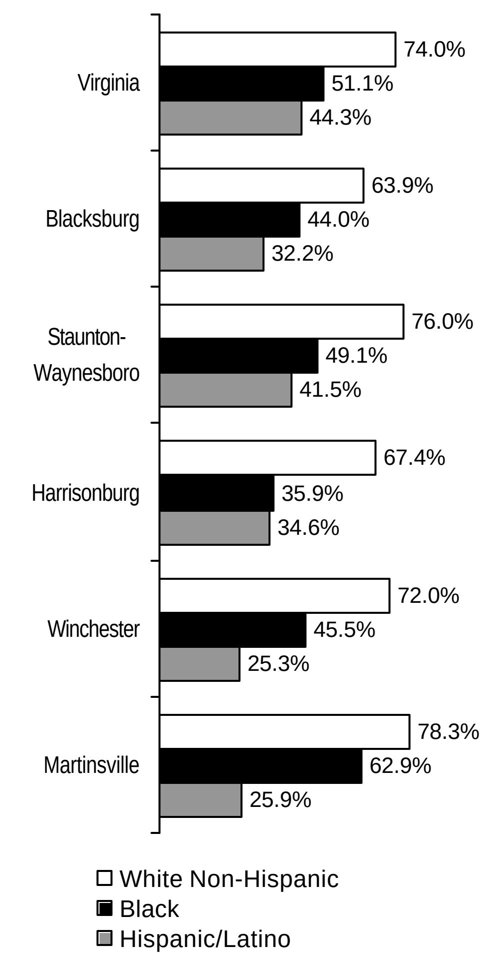


Source: Table 3A

The divergence in area homeownership rates generally increased during the 1990s. Homeownership rates fell in Blacksburg and Harrisonburg as student populations grew. In contrast, areas with above-average homeownership rates—Staunton-Waynesboro and Winchester—experienced relatively large increases. Martinsville was the exception to this pattern. Martinsville's very high homeownership rate fell during the 1990s due to weak economic conditions.

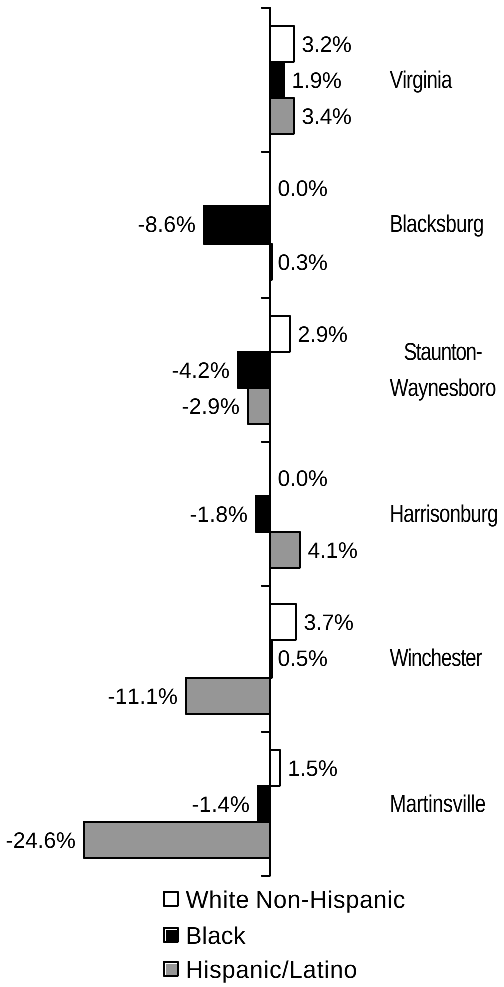
All of the non-metropolitan urban areas have large racial and ethnic disparities in homeownership rates.

Homeownership Rate by Race and Ethnicity: 2000



Source: Table 3D

Percentage Point Change in Homeownership Rate by Race and Ethnicity: 1990-2000

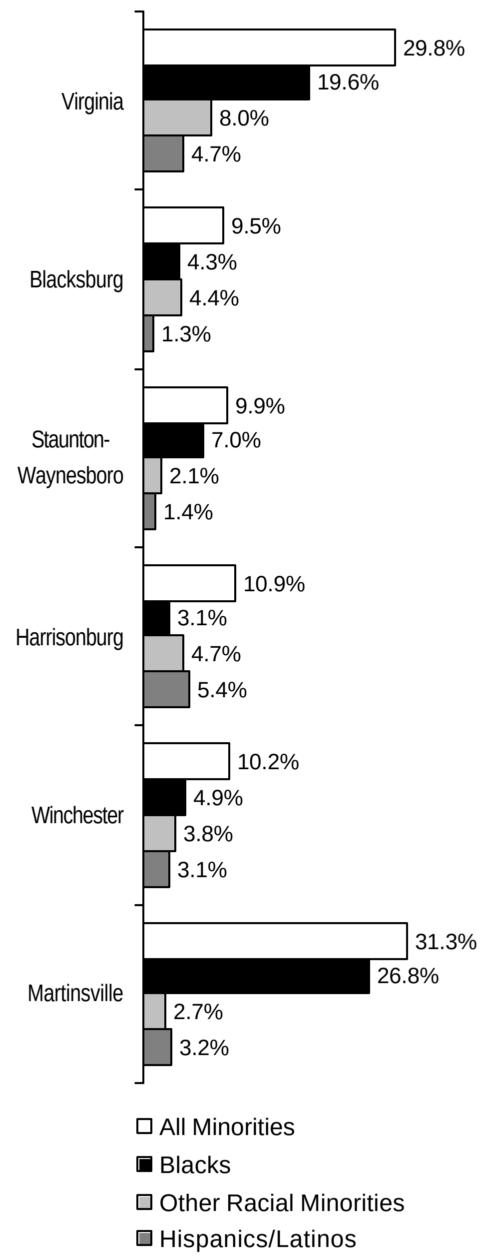


Source: Table 3D

Note: Separate data for Asians for 1990 is not readily available. The comparisons shown in this chart provide only an approximate picture of actual changes. Data for 1990 and 2000 are not fully comparable due to separate counting for people of mixed race in 2000.

Disparities between minority and non-Hispanic White homeownership are somewhat larger in the non-metropolitan urban areas than in the state as a whole. The lone exception is the Martinsville area where the difference between Black and non-Hispanic White homeownership rates is smaller than the statewide disparity. The reason for the larger disparities in non-metropolitan urban areas was that homeownership rates among minority groups generally declined while non-Hispanic White homeownership rates remained stable or increased. In several cases, the declines in minority homeownership were very large (e.g., the decline in the homeownership rate

Racial Minorities as a Share of Population: 2000



Source: Table 8

Note: Other races include persons of mixed race.

for Blacks in Blacksburg and the declines in the homeownership rates for Hispanics in Winchester and Martinsville). The two exceptions were Hispanics in Blacksburg and Harrisonburg who had larger gains in homeownership than non-Hispanic Whites (Table 3D).

Disparities in minority homeownership rates impact overall homeownership levels.

All of the non-metropolitan urban areas except for Martinsville have a much smaller share of minority populations than the state as a whole. Nevertheless, each has a minority share of roughly ten percent or higher. Therefore, the wide disparities in homeownership among racial and ethnic groups impact overall homeownership levels albeit not to the same degree that they do statewide (Table 8).

Federal and State Project-Based Rental Assistance

Lower interest rates and subsidy funds spurred the construction and rehabilitation of low-income rental units.

During the 1990s, lower interest rates and assistance provided through the federal Low-Income Housing Tax Credit and Rural Housing Service (RHS) Section 515 programs stimulated considerable rental housing investment in non-metropolitan urban areas. Over 1,300 low-income rental units were built or rehabilitated using Low-Income Housing Tax Credits. A substantial number of additional low-income units received direct assistance through the RHS Section 515 program, VHDA's Virginia Housing Fund, the state's Virginia Housing Partnership Fund, allocation by DHCD of federal HOME funds, the HUD Section 202 program, and various other federal and state programs.

Total units receiving federal and state assistance did not reflect the real net increase in affordable rental housing.

A share of the multifamily housing receiving federal and state assistance were existing low-rent developments that received new assisted financing in order to be retained in the affordable housing inventory. The assistance to these developments made a significant contribution toward preserving the quality and affordability of the low-income rental housing stock, but it did not increase the overall supply of affordable units.

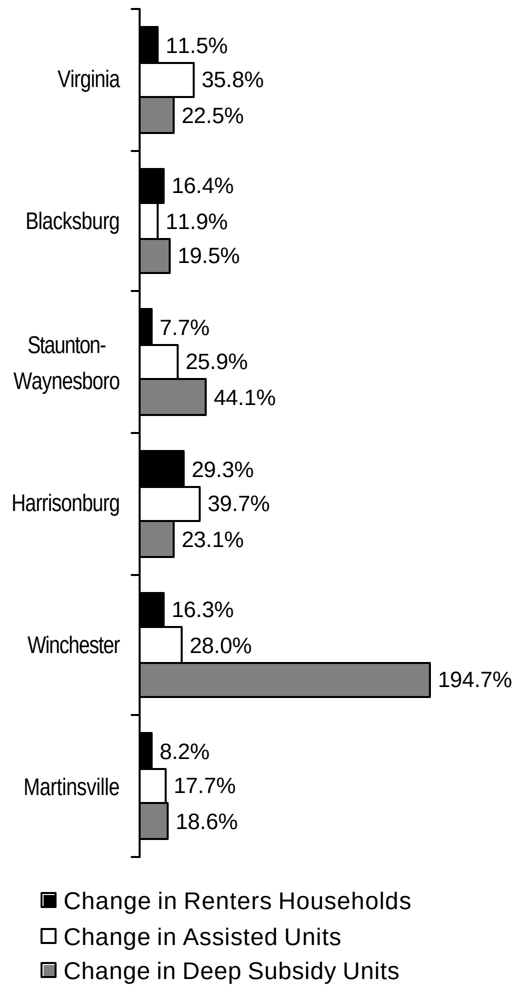
Relatively few units were removed from the inventory of low-income rental housing.

Relatively few affordable units were removed from the inventory of assisted rental housing in non-metropolitan urban areas during the 1990s (Table 11). The one exception was the Winchester area where the 199 units lost as a result of the prepayment of a HUD-subsidized mortgage represented 43 percent of the 1990 assisted rental inventory.

Non-metropolitan urban areas had a large net increase in low-income rental housing.

During the 1990s, the inventory of federal and state assisted low-income rental housing in non-metropolitan urban markets had a net increase of 1,100 units (22 percent) from just under 5,000 units in 1990 to over 6,000 units in 2000. This trend is continuing with nearly 300 net additional assisted units either already on-line, under development, or with federal and state assistance approvals so far this decade (Tables 10A and 10B).[4]

Change in Renter Households and Federal and State Assisted Rental Units: 1990-2000



Source: Tables 3A, 10A and 10B

[5] This inventory includes family and independent living elderly developments receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing receiving federal HOME and CDBG funds through local governments.

The inventory of total assisted units and deep subsidy units grew faster than renter households.

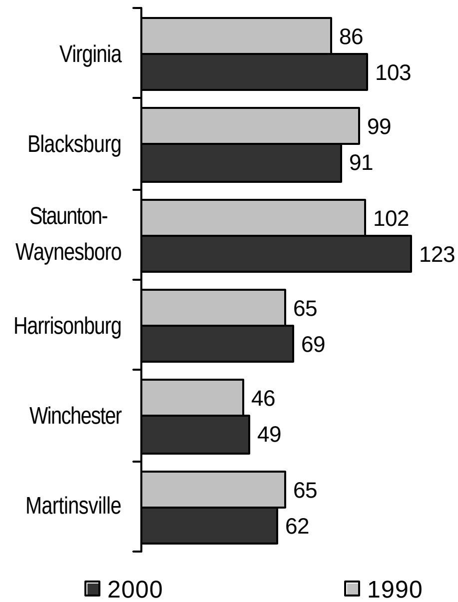
In most small metropolitan markets, the increase in total assisted units greatly exceeded the rate of growth in renter households. The one exception was the Blacksburg area where the growth in assisted units lagged behind the increase in renters. Deep subsidy units increased at an even higher rate. In every market except Harrisonburg, the rate of increase in deep subsidy units exceeded the growth in both renter households and total assisted units (Tables 3A, 10A and 10B). This was partly due to a very large increase in RHS Section 515 units with rental assistance contracts. In many cases, existing Section 515 units received rental assistance for the first time as a result of project preservation financing.

Disparities between non-metropolitan urban areas and the state have widened.

In the non-metropolitan urban areas, the ratios of assisted units per 1000 renter households are lower than the statewide ratio. This is generally true for both family and elderly units. The disparity between market area and statewide ratios are especially large for family units in Harrisonburg, Winchester and Martinsville, and for elderly units in Blacksburg, Winchester and Martinsville. One exception to the pattern of disparities is Staunton-Waynesboro, which has a ratio of total assisted family units per 1000 non-elderly renter households that is above the statewide level.

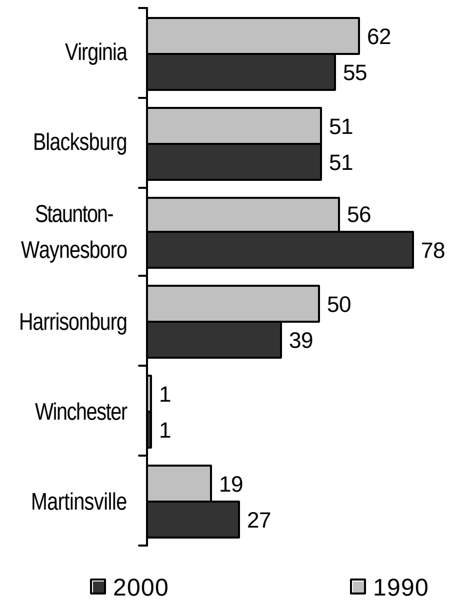
A comparison of ratios of total assisted family units per 1000 non-elderly renter households in 1990 and 2000 shows some widening in these disparities in all markets except Staunton-Waynesboro (Table 10A). Likewise, the overall level of disparity in the ratios of total assisted elderly units per 1000

Ratio of Federal and State Assisted Rental Family Units per 1000 Non-Elderly Renter Households



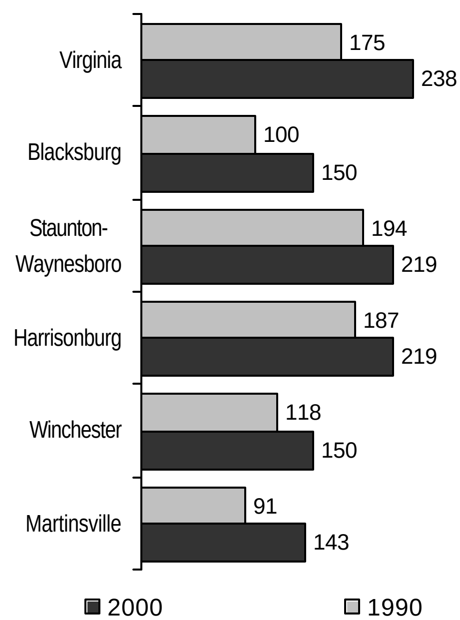
Source: Table 10A

Ratio of Federal Deep Subsidy Family Units per 1000 Non-Elderly Renter Households



Source: Table 10A

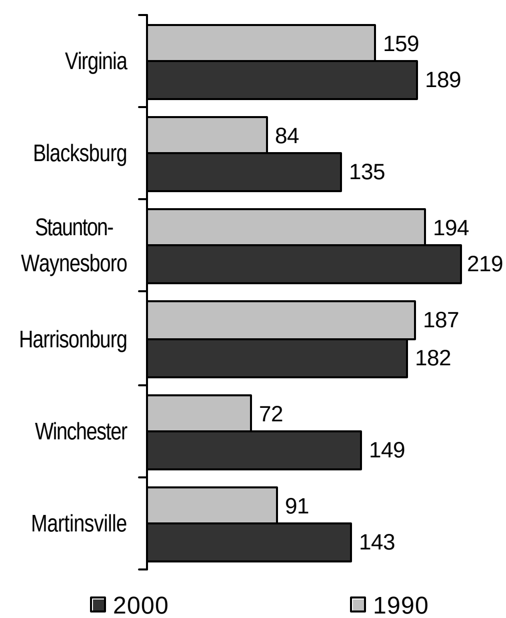
Ratio of Federal and State Assisted Rental Elderly Units per 1000 Elderly Renter Households



Source: Table 10B

Note: Includes households aged 65 and older and rental units intended for elderly occupancy. Low-Income Tax Credit elderly projects allow occupancy by persons as young as age 55, and deep subsidy projects allow occupancy by persons as young as age 62.

Ratio of Federal Deep Subsidy Elderly Units per 1000 Elderly Renter Households



Source: Table 10B

Note: Includes households aged 65 and older and rental units intended for elderly occupancy. Deep subsidy elderly projects allow occupancy by persons as young as age 62.

elderly renter households widened between 1990 and 2000. Staunton-Waynesboro and Harrisonburg, which had ratios above the statewide level in 1990, fell below the statewide level in 2000. Winchester also lost ground. Blacksburg and Martinsville both narrowed their disparity with the state, but the difference in their ratio and the statewide ratio remains large (Table 10B).

There is a similar pattern in the relative distribution of deep subsidy units.

The relative distribution among markets of deep subsidy rental units is similar to that for total assisted units. For family units, a clear exception is the Winchester area, which continues to have an extremely low number of deep subsidy family units. Its ratio of deep subsidy family units per 1000 non-elderly renter households is by far the lowest in the state. Martinsville also has a larger disparity with the state in deep subsidy family units than in total assisted family units.

For elderly units, the distribution pattern among market areas for deep subsidy unit closely mirrors the pattern for total assisted units except that disparities with the state are lower. Staunton-Waynesboro's ratio of deep subsidy elderly units per 1000 elderly renter households is above the statewide ratio. Harrisonburg was the only market area with a decline in its ratio.

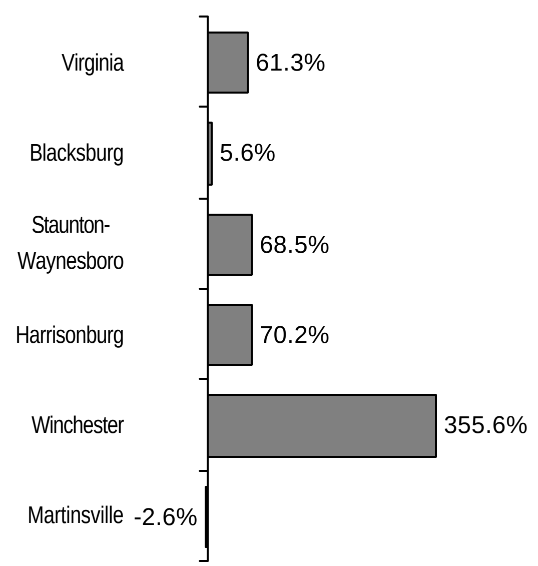
Deep subsidy units disproportionately serve elderly renters.

All non-metropolitan urban markets have ratios of deep subsidy elderly units per 1000 elderly renter households that are considerably higher than the ratio of deep subsidy family units per 1000 non-elderly renter households. The differential is lowest in the Blacksburg and Staunton-Waynesboro areas, where the ratio of deep subsidy elderly units per 1000 elderly renter households is 2.8 times the ratio of deep subsidy family units per 1000 non-elderly renter households. The differential is extreme in Winchester, where the ratio of deep subsidy elderly units per 1000 elderly renter households is 149 times the ratio of deep subsidy family units per 1000 non-elderly renter households.

Federal Tenant-Based Deep Rental Subsidies

Overall, the net change in tenant-based deep subsidies helped to reduce pre-existing disparities.

Change in Federal Tenant-Based Deep Rental Subsidy Units: 1990-2000



Source: Table 10C

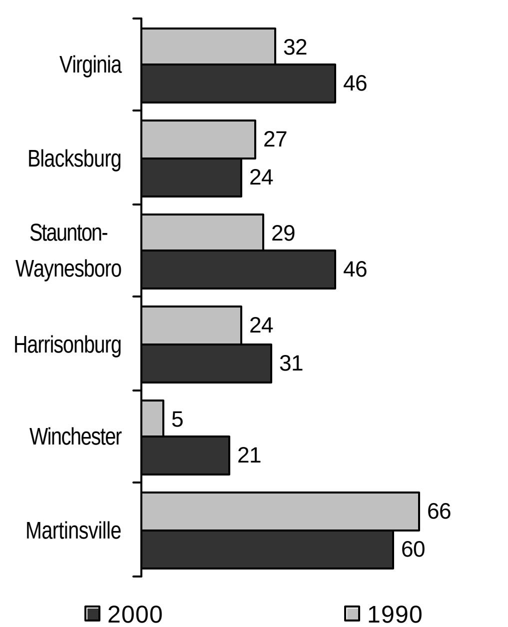
During the 1990s, non-metropolitan urban areas experienced considerably different change in units with deep federal tenant-based subsidies.[5] The magnitude of change

[5] Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2)

ranged from a 356 percent increase in the Winchester area[6] to a small decline in the Martinsville area (Table 10C). Overall, these changes mitigated some of the disparities among non-metropolitan urban markets and the state in the ratio of tenant-based deep subsidy units per 1000 renter households.

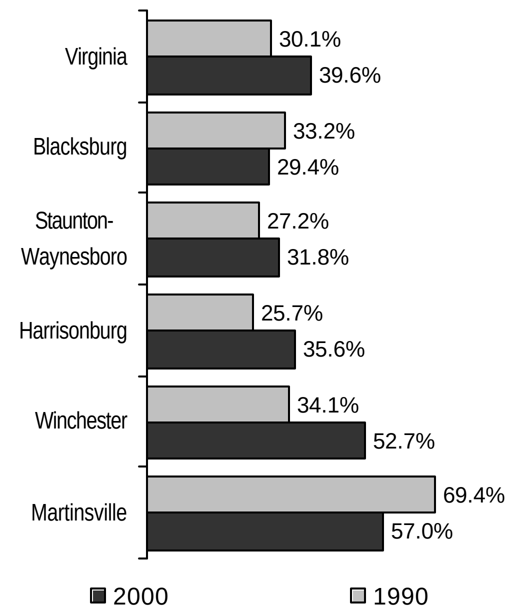
In particular, the Winchester area made significant progress in reducing the very large gap between its ratio of tenant-based units per 1000 renter households and the state's. However, the Winchester area's very large increase in tenant-based units has left it far more reliant on tenant-based assistance than is the case statewide (Table 10C). This poses challenges due to current conditions in

Ratio of Federal Tenant-Based Deep Rental Subsidy Units per 1000 Renter Households



Source: Table 10C

Tenant-Based Units as a Share of Total Deep Subsidy Rental Units



Source: Table 10C

the rental market. The Winchester area has a below-average share of multifamily units and has experienced a declining rental vacancy rate. In contrast, the Martinsville area, which has a very high rental vacancy rate, experienced a significant decline in the tenant-based share of total deep subsidy units.

Increases in tenant-based subsidies have not reduced lengthy waiting lists for assistance.

In non-metropolitan urban areas, there are lengthy waiting lists for subsidy assistance through the federal Housing Choice Voucher program. In recent years, increased appropriations for Housing Choice Vouchers have not reduced waiting lists for assistance. This reflects a number of factors including:

- growing need for deep subsidy assistance among the lowest income populations

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separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.

[6] The Winchester area's small stock of tenant-based units in 1990 contributed to the very large percentage increase.

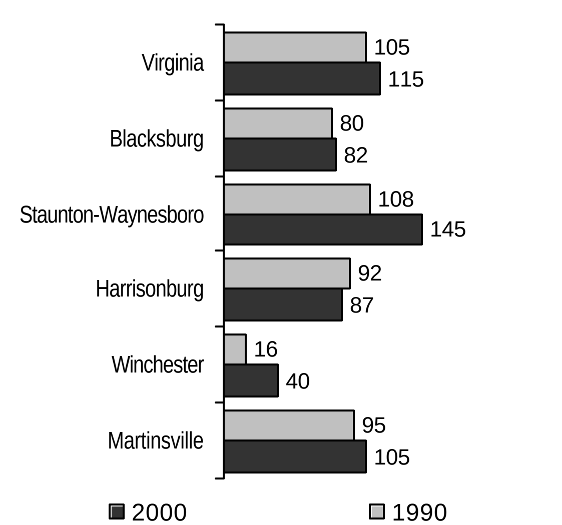
- reduced landlord willingness to participate in the Housing Choice Voucher program in markets such as Harrisonburg and Winchester that have had tightening rental markets

Total Federal Deep Rental Subsidies

The lowest income households need deep housing subsidies.

The income of most people who depend on limited fixed benefits is so low that they cannot afford adequate housing without deep housing subsidies. The same is true for minimum wage workers for whom the gap between income and market rents is extremely large. These are the households that have not fully benefited from the considerable development of new assisted rental units through the federal Low-Income Housing Tax Credit program. Typically, their income is below 30 percent of area median—what HUD refers to as "extremely low" income. The overall availability of deep rental subsidies is the best measure of the degree to which the needs of these households are being met.

Ratio of Total Federal Deep Rental Subsidy Units per 1000 Renter Households



Source: Table 10C

All non-metropolitan urban markets had net gains in total deep subsidy units, but disparities did not materially change.

In all non-metropolitan urban markets, the combined increase in project-based and tenant-based deep subsidy rental units exceeded the increase in rental households. As a result, the ratio of total deep subsidy units per 1000 renter households increased in all non-metropolitan urban areas.

There has been little change in the disparities between market areas in the ratio of total deep subsidy units per 1000 renter households (Table 10C). The disparity between Winchester's ratio and ratios in the other market areas remains extremely large. In 2000, Winchester's ratio was by far the lowest of any market area in Virginia and only about a third of the statewide rate. The below-average ratio in the Martinsville area is also problematic in light of the poor and worsening economic conditions in that market that are likely to increase levels of need. The below-average ratios in Blacksburg and Harrisonburg are difficult to interpret. They are partly due to the large student renter populations in both areas. However, there is insufficient data to determine the extent of that impact.

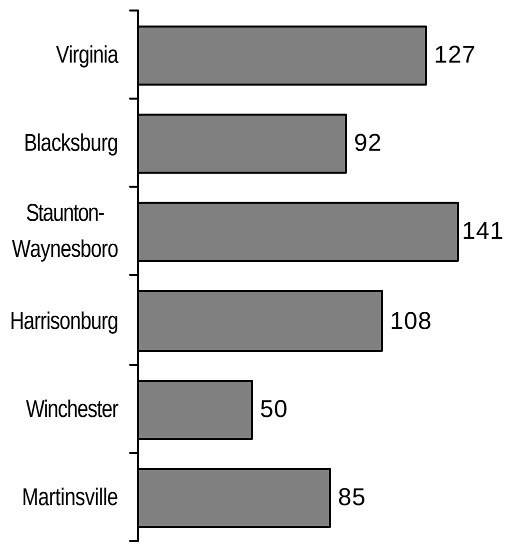
If persons in poverty are the measure, then disparities with the state increase.

When a comparison is made of ratios of total deep subsidy units in 2000 to the number of persons in poverty[7] in 1997 (most recent data available), then a similar picture

[7] Poverty is measured in absolute dollar terms and does not reflect differences in cost of living in different geographic areas.

emerges, but with somewhat lesser disparities between the market area and state ratios. The exception is Martinsville, for which the disparity with the state widens.

Ratio of Total Federal Deep Subsidy Units in 2000 per 1000 Persons in Poverty in 1997



Source: Tables 5 and 10C

There are also differentials in housing costs relative to income among markets.

There is a larger absolute gap between housing costs and the resources of lower income people in the Winchester market than in the Martinsville and Blacksburg areas where poverty rates are higher. Therefore, in Winchester, there is a broader band of incomes requiring deep subsidy assistance in order to afford adequate housing.

More data is needed in order to measure absolute levels of unmet housing need.

Available data illustrate the significant changes that have occurred in the relative level of subsidy assistance among regions but cannot answer the question of how large unmet housing needs are in one area compared to another. Measurement of absolute levels of unmet needs must await the release of more detailed data from the 2000 Census on household income and the share of income expended for housing.

Data Tables

Housing Stock

Estimated Distribution of Housing Units by Type

Table 1

		Single Family Site-Built		Single Family Manufact.		Multifamily/Other		Total
		Number	Share	Number	Share	Number	Share	Units
Blacksburg	**1990**	32,500	59%	8,700	16%	14,000	25%	55,100
	2000	36,200	58%	10,900	17%	15,600	25%	62,700
	Change	3,700		2,200		1,700		7,600
	1990-2000	11.5%		25.4%		12.0%		13.8%
Staunton-Waynesboro	**1990**	28,900	74%	3,900	10%	6,300	16%	39,100
	2000	34,100	74%	5,000	11%	6,900	15%	46,000
	Change	5,100		1,100		600		6,900
	1990-2000	17.8%		29.4%		10.0%		17.7%
Harrisonburg	**1990**	22,400	67%	3,800	11%	7,300	22%	33,500
	2000	26,700	65%	4,800	12%	9,600	23%	41,000
	Change	4,300		1,000		2,200		7,500
	1990-2000	19.2%		25.3%		30.6%		22.4%
Winchester	**1990**	20,400	74%	2,700	10%	4,600	17%	27,700
	2000	25,300	75%	3,300	10%	5,300	16%	33,900
	Change	5,000		600		700		6,200
	1990-2000	24.4%		21.1%		15.1%		22.5%
Martinsville	**1990**	20,800	68%	5,400	18%	4,300	14%	30,500
	2000	21,600	65%	7,200	22%	4,300	13%	33,200
	Change	800		1,800		100		2,700
	1990-2000	3.8%		33.9%		1.6%		8.8%
All Non-Metro. Urban Markets	**1990**	125,000	67%	24,500	13%	36,400	20%	185,900
	2000	143,900	66%	31,200	14%	41,700	19%	216,800
	Change	18,900		6,700		5,300		31,000
	1990-2000	15.2%		27.4%		14.6%		16.7%

Source: U.S. Census Bureau (total units); DMV (manufactured units); Weldon Cooper Center and local agencies (construction and demolition activitiy)
All change and share figures were calculated from unrounded estimates. Therefore, apparent errors appear due to rounding of numbers to the nearest 100.

Housing Occupancy

Household and Group Quarters Population

Table 2A		Total Population	Household Population	Group Quarters Population		Households
				Persons	Share	
Blacksburg	1990	140,715	127,883	12,832	9.1%	51,258
	2000	151,272	138,092	13,180	8.7%	58,443
	Change 1990-2000	10,557 7.5%	10,209 8.0%	348 2.7%	-0.4%	7,185 14.0%
Staunton-Waynesboro	1990	97,687	92,899	4,788	4.9%	36,781
	2000	108,988	104,087	4,901	4.5%	42,826
	Change 1990-2000	11,301 11.6%	11,188 12.0%	113 2.4%	-0.4%	6,045 16.4%
Harrisonburg	1990	88,189	80,491	7,698	8.7%	31,060
	2000	108,193	99,436	8,757	8.1%	38,488
	Change 1990-2000	20,004 22.7%	18,945 23.5%	1,059 13.8%	-0.6%	7,428 23.9%
Winchester	1990	67,670	66,423	1,247	1.8%	25,554
	2000	82,794	81,223	1,571	1.9%	32,098
	Change 1990-2000	15,124 22.3%	14,800 22.3%	324 26.0%	0.1%	6,544 25.6%
Martinsville	1990	73,104	72,395	709	1.0%	28,610
	2000	73,346	72,221	1,125	1.5%	30,408
	Change 1990-2000	242 0.3%	-174 -0.2%	416 58.7%	0.5%	1,798 6.3%
All Non-Metro. Urban Markets	1990	467,365	440,091	27,274	5.8%	173,263
	2000	524,593	495,059	29,534	5.6%	202,263
	Change 1990-2000	57,228 12.2%	54,968 12.5%	2,260 8.3%	-0.2%	29,000 16.7%

Source: U.S. Census Bureau

Housing Occupancy

Housing Vacancies

Table 2B		Total Vacancies	Available Vacant Units: For Sale / Vac. Rate		Available Vacant Units: For Rent / Vac. Rate		Vacant Units Not Available: Sold/Rented	Vacant Units Not Available: Seasonal	Vacant Units Not Available: Other
Blacksburg	**1990**	3,846	539	**1.7%**	1,207	**5.9%**	430	892	778
	2000	4,278	443	**1.2%**	1,128	**4.8%**	389	1,147	1,171
	Change 1990-2000	432 11.2%	-96 -17.8%	**-0.4%**	-79 -6.5%	**-1.1%**	-41 -9.5%	255 28.6%	393 50.5%
Staunton-Waynesboro	**1990**	2,326	397	**1.5%**	415	**3.9%**	251	528	735
	2000	3,202	615	**1.9%**	786	**6.6%**	218	515	1,068
	Change 1990-2000	876 37.7%	218 54.9%	**0.4%**	371 89.4%	**2.7%**	-33 -13.1%	-13 -2.5%	333 45.3%
Harrisonburg	**1990**	2,454	289	**1.4%**	556	**5.0%**	206	941	462
	2000	2,529	321	**1.3%**	558	**3.9%**	251	866	533
	Change 1990-2000	75 3.1%	32 11.1%	**-0.1%**	2 0.4%	**-1.1%**	45 21.8%	-75 -8.0%	71 15.4%
Winchester	**1990**	2,118	526	**3.0%**	617	**6.8%**	143	462	370
	2000	1,808	365	**1.6%**	474	**4.6%**	106	412	451
	Change 1990-2000	-310 -14.6%	-161 -30.6%	**-1.4%**	-143 -23.2%	**-2.2%**	-37 -25.9%	-50 -10.8%	81 21.9%
Martinsville	**1990**	1,869	253	**1.2%**	697	**8.5%**	219	122	578
	2000	2,762	479	**2.1%**	1,102	**12.0%**	275	174	732
	Change 1990-2000	893 47.8%	226 89.3%	**0.9%**	405 58.1%	**3.5%**	56 25.6%	52 42.6%	154 26.6%
All Non-Metro. Urban Markets	**1990**	12,613	2,004	**1.7%**	3,492	**5.9%**	1,249	2,945	2,923
	2000	14,579	2,223	**1.6%**	4,048	**5.9%**	1,239	3,114	3,955
	Change 1990-2000	1,966 15.6%	219 10.9%	**-0.1%**	556 15.9%	**0.0%**	-10 -0.8%	169 5.7%	1,032 35.3%

Source: U.S. Census Bureau

Housing Tenure

Owner and Renter Occupancy

Table 3A		Occupied Units	Owner-Occupied Number	Owner-Occupied Share	Renter-Occupied Number	Renter-Occupied Share
Blacksburg	1990	51,258	31,977	62.4%	19,281	37.6%
	2000	58,443	36,001	61.6%	22,442	38.4%
	Change 1990-2000	7,185 14.0%	4,024 12.6%	-0.8%	3,161 16.4%	0.8%
Staunton-Waynesboro	1990	36,781	26,419	71.8%	10,362	28.2%
	2000	42,826	31,670	74.0%	11,156	26.0%
	Change 1990-2000	6,045 16.4%	5,251 19.9%	2.2%	794 7.7%	-2.2%
Harrisonburg	1990	31,060	20,560	66.2%	10,500	33.8%
	2000	38,488	24,912	64.7%	13,576	35.3%
	Change 1990-2000	7,428 23.9%	4,352 21.2%	-1.5%	3,076 29.3%	1.5%
Winchester	1990	25,554	17,145	67.1%	8,409	32.9%
	2000	32,098	22,319	69.5%	9,779	30.5%
	Change 1990-2000	6,544 25.6%	5,174 30.2%	2.4%	1,370 16.3%	-2.4%
Martinsville	1990	28,610	21,110	73.8%	7,500	26.2%
	2000	30,408	22,293	73.3%	8,115	26.7%
	Change 1990-2000	1,798 6.3%	1,183 5.6%	-0.5%	615 8.2%	0.5%
All Non-Metro. Urban Markets	1990	173,263	117,211	67.6%	56,052	32.4%
	2000	202,263	137,195	67.8%	65,068	32.2%
	Change 1990-2000	29,000 16.7%	19,984 17.0%	0.2%	9,016 16.1%	-0.2%

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder

Table 3B

		Working Age Households				Elderly Households	
		Under Age 25	Age 25-34	Age 35-44	Age 45-64	Age 65-74	Age 75+
Blacksburg	**1990**	11.0%	45.4%	70.8%	83.3%	84.3%	80.1%
	2000	8.5%	44.5%	68.9%	81.5%	85.1%	80.1%
	Change 1990-2000	-2.5%	-0.9%	-1.9%	-1.8%	0.8%	0.0%
Staunton-Waynesboro	**1990**	26.2%	52.9%	72.5%	82.8%	81.8%	77.6%
	2000	23.4%	55.8%	71.0%	81.8%	86.0%	81.5%
	Change 1990-2000	-2.8%	2.9%	-1.5%	-1.0%	4.2%	3.9%
Harrisonburg	**1990**	12.8%	48.8%	72.1%	82.4%	81.7%	74.9%
	2000	9.2%	48.6%	67.2%	79.9%	83.4%	75.7%
	Change 1990-2000	-3.6%	-0.2%	-4.9%	-2.5%	1.7%	0.8%
Winchester	**1990**	23.3%	50.5%	69.9%	78.9%	81.2%	71.7%
	2000	21.3%	51.2%	68.9%	79.6%	83.6%	78.0%
	Change 1990-2000	-2.0%	0.7%	-1.0%	0.7%	2.4%	6.3%
Martinsville	**1990**	32.9%	54.1%	73.2%	83.8%	85.1%	81.1%
	2000	30.2%	52.8%	68.0%	81.4%	86.0%	81.8%
	Change 1990-2000	-2.7%	-1.3%	-5.2%	-2.4%	0.9%	0.7%
All Non-Metro. Urban Markets	**1990**	16.1%	49.7%	71.7%	82.5%	83.0%	77.7%
	2000	12.6%	49.7%	68.9%	81.0%	84.9%	79.6%
	Change 1990-2000	-3.5%	0.0%	-2.8%	-1.5%	1.9%	1.9%

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder and Family Status

Table 3C		Householder Under 35		Householder 35-64		Householder 65+	
		Family HHs	Other HHs	Family HHs	Other HHs	Family HHs	Other HHs
Blacksburg	1990	50.7%	11.3%	83.0%	60.1%	89.5%	71.6%
	2000	50.2%	11.0%	82.8%	59.6%	91.3%	73.2%
	Change 1990-2000	-0.5%	-0.3%	-0.2%	-0.5%	1.8%	1.6%
Staunton-Waynesboro	1990	55.5%	31.9%	84.2%	60.3%	90.9%	68.8%
	2000	56.3%	29.8%	83.9%	59.0%	92.1%	73.5%
	Change 1990-2000	0.8%	-2.1%	-0.3%	-1.3%	1.2%	4.7%
Harrisonburg	1990	54.5%	17.4%	83.5%	58.2%	88.7%	72.6%
	2000	51.7%	11.8%	80.9%	55.7%	89.0%	67.8%
	Change 1990-2000	-2.8%	-5.6%	-2.6%	-2.5%	0.3%	-4.8%
Winchester	1990	49.1%	23.1%	80.3%	57.9%	89.6%	67.3%
	2000	54.2%	25.6%	80.9%	57.2%	89.2%	71.1%
	Change 1990-2000	5.1%	2.5%	0.6%	-0.7%	-0.4%	3.8%
Martinsville	1990	54.2%	35.0%	86.3%	60.1%	88.8%	76.5%
	2000	53.2%	32.4%	82.9%	59.1%	91.2%	75.4%
	Change 1990-2000	-1.0%	-2.6%	-3.4%	-1.0%	2.4%	-1.1%
All Non-Metro. Urban Markets	1990	52.7%	17.9%	83.5%	59.5%	89.5%	71.3%
	2000	52.8%	16.0%	82.4%	58.3%	90.7%	72.4%
	Change 1990-2000	0.1%	-1.9%	-1.1%	-1.2%	1.2%	1.1%

Source: U.S. Census Bureau

Family HHs. Family households are two or more related persons living together in the same housing unit.

Other HHs. All other types of households.

Housing Tenure

Homeownership Rate by Race and Ethnicity of Householder

Table 3D		White Non-Hispanic	All Minorities	Racial Minorities: Black	Racial Minorities: Asian	Hispanic/ Latino
Blacksburg	1990	63.9%	40.4%	52.6%	na	31.9%
	2000	63.9%	34.9%	44.0%	16.7%	32.2%
	Change 1990-2000	0.0%	-5.5%	-8.6%	na	0.3%
Staunton-Waynesboro	1990	73.1%	53.1%	53.3%	na	44.4%
	2000	76.0%	48.8%	49.1%	46.5%	41.5%
	Change 1990-2000	2.9%	-4.3%	-4.2%	na	-2.9%
Harrisonburg	1990	67.4%	36.8%	37.7%	na	30.5%
	2000	67.4%	34.4%	35.9%	30.3%	34.6%
	Change 1990-2000	0.0%	-2.4%	-1.8%	na	4.1%
Winchester	1990	68.3%	44.4%	45.0%	na	36.4%
	2000	72.0%	41.3%	45.5%	46.1%	25.3%
	Change 1990-2000	3.7%	-3.1%	0.5%	na	-11.1%
Martinsville	1990	76.7%	64.1%	64.3%	na	50.5%
	2000	78.3%	60.1%	62.9%	61.1%	25.9%
	Change 1990-2000	1.5%	-4.0%	-1.4%	na	-24.6%
All Non-Metro. Urban Markets	1990	69.0%	53.1%	57.3%	na	35.9%
	2000	70.3%	47.2%	54.0%	26.4%	31.9%
	Change 1990-2000	1.3%	-5.9%	-3.3%	na	-4.0%

Source: U.S. Census Bureau

Housing Demand Factors

Jobs and Income

Table 4		Total Area Jobs	Per Capita Income (1999$)		Civilian Labor Force	Unemployment Rate
Blacksburg	1990	73,736	$17,387	1990	71,012	9.4%
	1999	83,162	$20,106	2000	71,290	3.3%
	Change 1990-1999	9,426 12.8%	$2,719 15.6%	Change 1990-2000	278 0.4%	-6.2%
Staunton-Waynesboro	1990	54,966	$21,861	1990	49,977	4.1%
	1999	61,116	$23,612	2000	52,558	1.9%
	Change 1990-1999	6,150 11.2%	$1,751 8.0%	Change 1990-2000	2,581 5.2%	-2.2%
Harrisonburg	1990	54,558	$20,394	1990	48,240	5.3%
	1999	69,484	$23,262	2000	56,402	1.0%
	Change 1990-1999	14,926 27.4%	$2,868 14.1%	Change 1990-2000	8,162 16.9%	-4.3%
Winchester	1990	44,693	$22,294	1990	38,526	5.6%
	1999	56,308	$26,451	2000	47,112	1.7%
	Change 1990-1999	11,615 26.0%	$4,157 18.6%	Change 1990-2000	8,586 22.3%	-3.9%
Martinsville	1990	49,667	$21,405	1990	40,400	7.9%
	1999	44,780	$21,813	2000	33,408	8.4%
	Change 1990-1999	-4,887 -9.8%	$408 1.9%	Change 1990-2000	-6,992 -17.3%	0.4%
All Non-Metro. Urban Markets	1990	277,620	$20,231	1990	248,155	6.7%
	1999	314,850	$22,725	2000	260,770	2.9%
	Change 1990-1999	37,230 13.4%	$2,494 12.3%	Change 1990-2000	12,615 5.1%	-3.8%

Source: Bureau of Economic Analysis (jobs and per capita income); VEC (labor force and unemployment); U.S. Census Bureau (civilian population)

Housing Demand Factors

Incidence of Poverty

Table 5	Persons in Poverty 1989	Persons in Poverty 1993	Persons in Poverty 1997	Persons Change 1989-93	Persons Change 1993-97	Poverty Rate 1989	Poverty Rate 1993	Poverty Rate 1997	Rate Change 1989-93	Rate Change 1993-97
Blacksburg	24,987	21,003	19,999	-3,984 (-15.9%)	-1,004 (-4.8%)	19.6%	15.8%	15.0%	-3.8%	-0.8%
Staunton-Waynesboro	8,392	10,729	11,460	2,337 (27.8%)	731 (6.8%)	9.1%	10.9%	11.3%	1.8%	0.4%
Harrisonburg	9,130	10,441	10,984	1,311 (14.4%)	543 (5.2%)	11.4%	11.9%	12.1%	0.5%	0.2%
Winchester	5,561	7,390	7,813	1,829 (32.9%)	423 (5.7%)	8.4%	10.0%	10.0%	1.6%	0.0%
Martinsville	7,745	9,816	9,979	2,071(26.7%)	163 (1.7%)	10.7%	13.4%	13.9%	2.7%	0.5%
All Non-Metropolitan Urban Market Areas	55,815	59,379	60,235	3,564 (6.4%)	856 (1.4%)	12.7%	12.8%	12.7%	0.1%	-0.1%

Source: U.S. Census Bureau

Housing Demand Factors

Changing Age Profile of Working-Age Adult Population

Table 6A		Young Adult Population				Middle-Age Pop.
		Age 20-24	Age25-34	Age 35-44	Total	Age 45-64
Blacksburg	Change 1990-2000	1,847 7.9%	-623 -2.9%	297 1.6%	**1,521** **2.4%**	**7,274** **30.9%**
	Change 2000-2010	2,747 10.2%	-616 -3.0%	-2,730 -14.5%	**-599** **-0.9%**	**5,081** **18.2%**
Staunton-Waynesboro	Change 1990-2000	-435 -7.0%	-2,386 -14.8%	2,723 18.1%	**-98** **-0.3%**	**6,512** **30.5%**
	Change 2000-2010	894 15.4%	15 0.1%	-1,577 -9.2%	**-668** **-1.8%**	**7,248** **25.4%**
Harrisonburg	Change 1990-2000	3,328 28.5%	-537 -3.9%	3,051 25.5%	**5,842** **15.6%**	**5,819** **37.1%**
	Change 2000-2010	2,736 18.7%	760 5.1%	-866 -6.7%	**2,630** **6.2%**	**5,835** **30.4%**
Winchester	Change 1990-2000	21 0.4%	-781 -6.4%	4,115 39.9%	**3,355** **12.2%**	**5,484** **40.0%**
	Change 2000-2010	1,086 22.3%	694 7.4%	-393 -2.8%	**1,387** **4.9%**	**6,863** **34.4%**
Martinsville	Change 1990-2000	-975 -20.4%	-2,327 -19.8%	741 6.9%	**-2,561** **-9.4%**	**2,012** **12.0%**
	Change 2000-2010	179 4.7%	-817 -9.0%	-1,984 -18.2%	**-2,622** **-11.0%**	**2,819** **14.5%**
All Non-Metro. Urban Markets	Change 1990-2000	3,786 7.4%	-6,654 -8.9%	10,927 16.4%	**8,059** **4.2%**	**27,101** **29.8%**
	Change 2000-2010	7,642 13.6%	36 0.1%	-7,550 -10.2%	**128** **0.1%**	**27,846** **24.2%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors

Changing Age Profile of Elderly Population

Table 6B		Elderly Population			
		Age 65-74	Age 75-84	Age 85+	Total
Blacksburg	Change 1990-2000	81 0.9%	987 20.2%	416 28.5%	**1,484** **9.7%**
	Change 2000-2010	1,159 12.9%	-16 -0.3%	481 24.9%	**1,624** **9.7%**
Staunton-Waynesboro	Change 1990-2000	546 6.7%	1,285 29.8%	910 96.9%	**2,741** **20.4%**
	Change 2000-2010	1,529 18.1%	283 4.2%	536 28.8%	**2,348** **14.0%**
Harrisonburg	Change 1990-2000	721 11.9%	1,176 33.3%	493 40.9%	**2,390** **22.1%**
	Change 2000-2010	1,759 23.5%	417 8.7%	641 36.2%	**2,817** **20.0%**
Winchester	Change 1990-2000	759 16.0%	976 43.0%	357 55.9%	**2,092** **27.4%**
	Change 2000-2010	1,506 27.4%	346 10.4%	443 38.9%	**2,295** **20.1%**
Martinsville	Change 1990-2000	281 4.5%	957 31.2%	467 56.0%	**1,705** **16.8%**
	Change 2000-2010	541 8.4%	-220 -4.8%	250 19.6%	**571** **5.0%**
All Non-Metro. Urban Markets	Change 1990-2000	2,388 7.0%	5,381 29.8%	2,643 52.0%	**10,412** **18.2%**
	Change 2000-2010	6,494 17.6%	810 3.2%	2,351 29.4%	**9,655** **13.8%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors
Household Composition

Table 7		Households with Persons <18			Households without Persons <18			All Households	
		Married	Other	Total	1-Person	2+ Persons	Total	Total	Avg. Size
Blacksburg	1990	12,443	3,571	**16,014**	11,855	23,389	**35,244**	**51,258**	2.49
	2000	11,048	5,133	**16,181**	15,583	26,679	**42,262**	**58,443**	2.36
	Change	-1,395	1,562	**167**	3,728	3,290	**7,018**	**7,185**	-0.13
	1990-2000	-11.2%	43.7%	**1.0%**	31.4%	14.1%	**19.9%**	**14.0%**	
Staunton-Waynesboro	1990	10,080	2,929	**13,009**	8,501	15,271	**23,772**	**36,781**	2.53
	2000	9,501	4,813	**14,314**	10,858	17,654	**28,512**	**42,826**	2.43
	Change	-579	1,884	**1,305**	2,357	2,383	**4,740**	**6,045**	-0.10
	1990-2000	-5.7%	64.3%	**10.0%**	27.7%	15.6%	**19.9%**	**16.4%**	
Harrisonburg	1990	8,550	2,091	**10,641**	6,847	13,572	**20,419**	**31,060**	2.59
	2000	8,800	3,641	**12,441**	9,095	16,952	**26,047**	**38,488**	2.58
	Change	250	1,550	**1,800**	2,248	3,380	**5,628**	**7,428**	-0.01
	1990-2000	2.9%	74.1%	**16.9%**	32.8%	24.9%	**27.6%**	**23.9%**	
Winchester	1990	7,571	2,107	**9,678**	5,695	10,181	**15,876**	**25,554**	2.60
	2000	7,983	3,621	**11,604**	7,692	12,802	**20,494**	**32,098**	2.53
	Change	412	1,514	**1,926**	1,997	2,621	**4,618**	**6,544**	-0.07
	1990-2000	5.4%	71.9%	**19.9%**	35.1%	25.7%	**29.1%**	**25.6%**	
Martinsville	1990	7,175	2,976	**10,151**	6,666	11,793	**18,459**	**28,610**	2.53
	2000	5,663	4,157	**9,820**	8,387	12,201	**20,588**	**30,408**	2.38
	Change	-1,512	1,181	**-331**	1,721	408	**2,129**	**1,798**	-0.16
	1990-2000	-21.1%	39.7%	**-3.3%**	25.8%	3.5%	**11.5%**	**6.3%**	
All Non-Metro. Urban Markets	1990	45,819	13,674	**59,493**	39,564	74,206	**113,770**	**173,263**	2.54
	2000	42,995	21,365	**64,360**	51,615	86,288	**137,903**	**202,263**	2.45
	Change	-2,824	7,691	**4,867**	12,051	12,082	**24,133**	**29,000**	-0.09
	1990-2000	-6.2%	56.2%	**8.2%**	30.5%	16.3%	**21.2%**	**16.7%**	

Source: U.S. Census Bureau

Housing Demand Factors

Population by Reported Race and Ethnicity

Table 8		Non-Hispanic Whites	All Minorities	Racial Minorities: Blacks	Racial Minorities: Asians	Racial Minorities: Other Races	Racial Minorities: Mixed Races	Hispanics/ Latinos
Blacksburg	1990 Pop.	130,174	10,541	6,086	3,160	446	na	1,179
	% of Pop.	92.5%	7.5%	4.3%	2.2%	0.3%	na	0.8%
	2000 Pop.	136,911	14,361	6,559	3,691	1,074	1,933	1,946
	% of Pop.	90.5%	9.5%	4.3%	2.4%	0.7%	1.3%	1.3%
Staunton-Waynesboro	1990 Pop.	89,992	7,765	6,836	272	283	na	558
	% of Pop.	92.1%	7.9%	7.0%	0.3%	0.3%	na	0.6%
	2000 Pop.	98,190	10,798	7,633	407	785	1,073	1,528
	% of Pop.	90.1%	9.9%	7.0%	0.4%	0.7%	1.0%	1.4%
Harrisonburg	1990 Pop.	83,572	4,617	2,887	599	575	na	1,027
	% of Pop.	94.8%	5.2%	3.3%	0.7%	0.7%	na	1.2%
	2000 Pop.	96,354	11,839	3,318	1,456	2,143	1,536	5,801
	% of Pop.	89.1%	10.9%	3.1%	1.3%	2.0%	1.4%	5.4%
Winchester	1990 Pop.	63,609	4,061	3,031	417	233	na	510
	% of Pop.	94.0%	6.0%	4.5%	0.6%	0.3%	na	0.8%
	2000 Pop.	74,377	8,417	4,020	763	1,312	1,104	2,531
	% of Pop.	89.8%	10.2%	4.9%	0.9%	1.6%	1.3%	3.1%
Martinsville	1990 Pop.	53,515	19,589	19,109	141	191	na	312
	% of Pop.	73.2%	26.8%	26.1%	0.2%	0.3%	na	0.4%
	2000 Pop.	50,423	22,923	19,686	308	1,039	658	2,360
	% of Pop.	68.7%	31.3%	26.8%	0.4%	1.4%	0.9%	3.2%
All Non-Metro. Urban Markets	1990 Pop.	420,792	46,573	37,949	4,589	1,728	na	3,586
	% of Pop.	90.0%	10.0%	8.1%	1.0%	0.4%	na	0.8%
	2000 Pop.	456,255	68,338	41,216	6,625	6,353	6,304	14,166
	% of Pop.	87.0%	13.0%	7.9%	1.3%	1.2%	1.2%	2.7%

Source: U.S. Census Bureau

Note: Data for 1990 and 2000 are not directly comparable because in 1990 persons of mixed race were counted in other racial categories.

Housing Affordability

Minimum Income Needed to Afford Housing at the Fair Market Rent (FMR)

Table 9A		1-Per. HH / 1 Bedrm. Unit			3-Per. HH / 2 Bedrm. Unit			5-Per. HH / 3 Bedrm. Unit		
		FMR	Min. Income	% AMI	FMR	Min. Income	% AMI	FMR	Min. Income	% AMI
Blacksburg	**1997**	$406	$16,239	54%	$477	$19,081	49%	$658	$26,307	56%
	2001	$385	$15,394	49%	$452	$18,066	45%	$622	$24,893	51%
	Change 1997-2001	-$21 -5.2%	-$845 -5.2%	-5%	-$25 -5.2%	-$1,015 -5.3%	-4%	-$36 -5.5%	-$1,414 -5.4%	-5%
Staunton-Waynesboro	**1997**	$396	$15,837	50%	$480	$19,208	47%	$632	$25,285	52%
	2001	$375	$15,000	45%	$455	$18,200	43%	$599	$23,960	47%
	Change 1997-2001	-$21 -5.3%	-$837 -5.3%	-5%	-$25 -5.2%	-$1,008 -5.2%	-4%	-$33 -5.2%	-$1,325 -5.2%	-5%
Harrisonburg	**1997**	$423	$16,901	52%	$536	$21,426	51%	$734	$29,366	58%
	2001	$401	$16,040	46%	$507	$20,280	45%	$695	$27,800	52%
	Change 1997-2001	-$22 -5.2%	-$861 -5.1%	-6%	-$29 -5.4%	-$1,146 -5.3%	-6%	-$39 -5.3%	-$1,566 -5.3%	-6%
Winchester	**1997**	$478	$19,119	57%	$574	$22,978	53%	$787	$31,496	61%
	2001	$453	$18,120	51%	$545	$21,800	48%	$746	$29,840	54%
	Change 1997-2001	-$25 -5.2%	-$999 -5.2%	-6%	-$29 -5.1%	-$1,178 -5.1%	-5%	-$41 -5.2%	-$1,656 -5.3%	-7%
Martinsville	**1997**	$385	$15,393	56%	$452	$18,099	51%	$608	$24,309	57%
	2001	$365	$14,600	51%	$428	$17,120	46%	$575	$23,000	52%
	Change 1997-2001	-$20 -5.2%	-$793 -5.2%	-5%	-$24 -5.3%	-$979 -5.4%	-5%	-$33 -5.4%	-$1,309 -5.4%	-5%
All Non-Metro. Urban Markets	**1997**	$416	$16,636	53%	$501	$20,055	50%	$683	$27,301	57%
	2001	$394	$15,772	48%	$475	$18,994	45%	$646	$25,847	51%
	Change 1997-2001	-$22 -5.3%	-$864 -5.2%	-5%	-$26 -5.2%	-$1,061 -5.3%	-5%	-$37 -5.4%	-$1,454 -5.3%	-6%

Source: HUD (Fair Market Rents and area median income estimates adjusted for household size)

Note: All figures have been adjusted for inflation and are shown in constant 2001 dollars.

Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.

Min. Income. This is the minimum income needed to afford a unit renting for the FMR based on HUD's standard that households should pay no more than 30% of gross income for rent.

% AMI. This is the necessary minimum income as a share of the Area Median Income as determined by HUD and adjusted for household size.

Housing Affordability

Rent Burden for Lowest Income Populations

Table 9B		1-Bedrm. FMR	Minimum Wage Workers Income	Minimum Wage Workers Rent Burden	Single SSI Recipients Income	Single SSI Recipients Rent Burden	Age 65+ Living on OASDI Income	Age 65+ Living on OASDI Rent Burden
Blacksburg	**1997**	$406	$10,957	44%	$6,441	76%	$9,608	51%
	2001	$385	$10,712	43%	$6,372	73%	na	na
	Change 1997-2001	-$21 -5.2%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Staunton-Waynesboro	**1997**	$396	$10,957	43%	$6,441	74%	$9,755	49%
	2001	$375	$10,712	42%	$6,372	71%	na	na
	Change 1997-2001	-$21 -5.3%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Harrisonburg	**1997**	$423	$10,957	46%	$6,441	79%	$9,449	54%
	2001	$401	$10,712	45%	$6,372	76%	na	na
	Change 1997-2001	-$22 -5.2%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Winchester	**1997**	$478	$10,957	52%	$6,441	89%	$9,595	60%
	2001	$453	$10,712	51%	$6,372	85%	na	na
	Change 1997-2001	-$25 -5.2%	-$245 -2.2%	-1%	-$69 -1.1%	-4%		
Martinsville	**1997**	$385	$10,957	42%	$6,441	72%	$9,608	48%
	2001	$365	$10,712	41%	$6,372	69%	na	na
	Change 1997-2001	-$20 -5.2%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
All Non-Metro. Urban Markets	**1997**	$416	$10,957	46%	$6,441	78%	$9,608	52%
	2001	$394	$10,712	44%	$6,372	74%	na	na
	Change 1997-2001	-$22 -5.3%	-$245 -2.2%	-2%	-$69 -1.1%	-4%		

Source: HUD (Fair Market Rents); Dept. of Labor (minimum wage rates); Social Security Administration (SSI and OASDI benefit payments)

Note: All figures are adjusted for inflation and shown in constant 2001dollars.

1-Bedroom Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas for a one-bedroom unit as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.

Minimum Wage Workers. Income is the annual minimum wage for a full-time worker.

Single SSI recipients. Income is the maximum Supplemental Security Income (SSI) benefit for a single person.

Age 65+ living on OASDI. Income is the average Social Security benefit being paid to persons age 65+ in Virginia as of December 31, 1997. This is indicative of the income of persons relying solely on OASDI benefits for income. Data for 2001 are not available but should compare closely with 1997 because OASDI benefits are fulled indexed for inflation.

Rent Burden. This is the share of monthly income needed to pay the one-bedroom Fair Market Rent.

Federal and State Rental Housing Assistance

Low-Income Family Units

Table 10A		Total Low-Income Family Units	Units per 1000 Non-Eld. Renter HHs	Family Units with Deep Subsidies	Units per 1000 Non-Eld. Renter HHs
Blacksburg	**1990**	1,747	99	888	51
	2000	1,861	91	1,046	51
	Chg. 90-00	114 (6.5%)	-8 (-8.1%)	158 (17.8%)	0 (0.0%)
	Since 1/00*	-24 net units on-line or approved		0 net units on-line or approved	
Staunton-Waynesboro	**1990**	880	102	479	56
	2000	1,171	123	740	78
	Chg. 90-00	291 (33.1%)	21 (20.6%)	261 (54.5%)	22 (39.3%)
	Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	
Harrisonburg	**1990**	588	65	456	50
	2000	826	69	466	39
	Chg. 90-00	238 (40.5%)	4 (6.2%)	10 (2.2%)	-11 (-22.0%)
	Since 1/00*	72 net units on-line or approved		0 net units on-line or approved	
Winchester	**1990**	335	46	7	1
	2000	417	49	7	1
	Chg. 90-00	82 (24.5%)	3 (6.5%)	0 (0.0%)	0 (0.0%)
	Since 1/00*	104 net units on-line or approved		0 net units on-line or approved	
Martinsville	**1990**	415	65	119	19
	2000	427	62	186	27
	Chg. 90-00	12 (2.9%)	-3 (-4.6%)	67 (56.3%)	8 (42.1%)
	Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	
All Non-Metro. Urban Markets	**1990**	3,965	81	1,949	40
	2000	4,702	82	2,445	43
	Chg. 90-00	737 (18.6%)	1 (1.2%)	496 (25.4%)	3 (7.5%)
	Since 1/00*	152 net units on-line or approved		0 net units on-line or approved	

Source: HUD, USDA (Rural Housing), PHAs, and VHDA (assisted units); U.S. Census Bureau (non-elderly renter households)
*Units placed in service or receiving federal or state funding approval since January 2000
Total Low-Income Family Units. This inventory includes family developments (i.e., developments without age restrictions intended for family occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.
Family Units with Deep Subsidies. This inventory includes family developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.
Non-Elderly Renter Households. These are renter households with a householder under the age of 65.

Federal and State Rental Housing Assistance

Low-Income Elderly Independent Living Units

Table 10B		Total Low-Income Elderly Units	Units per 1000 Elderly Renter HHs	Elderly Units with Deep Subsidies	Units per 1000 Elderly Renter HHs
Blacksburg	**1990**	171	100	144	84
	2000	285	150	258	135
	Chg. 90-00	114 (66.7%)	50 (50.0%)	114 (79.2%)	51 (60.7%)
	Since 1/00*	40 net units on-line or approved		0 net units on-line or approved	
Staunton-Waynesboro	**1990**	337	194	337	194
	2000	361	219	361	219
	Chg. 90-00	24 (7.1%)	25 (12.9%)	24 (7.1%)	25 (12.9%)
	Since 1/00*	54 net units on-line or approved		0 net units on-line or approved	
Harrisonburg	**1990**	260	187	260	187
	2000	359	219	299	182
	Chg. 90-00	99 (38.1%)	32 (17.1%)	39 (15.0%)	-5 (-2.7%)
	Since 1/00*	38 net units on-line or approved		0 net units on-line or approved	
Winchester	**1990**	130	118	80	72
	2000	178	150	177	149
	Chg. 90-00	48 (36.9%)	32 (27.1%)	97 (121.3%)	77 (107.9%)
	Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	
Martinsville	**1990**	100	91	100	91
	2000	179	143	179	143
	Chg. 90-00	79 (79.0%)	52 (57.1%)	79 (79.0%)	52 (57.1%)
	Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	
All Non-Metro. Urban Markets	**1990**	998	142	921	131
	2000	1,362	178	1,274	167
	Chg. 90-00	364 (36.5%)	36 (25.4%)	353 (38.3%)	36 (27.5%)
	Since 1/00*	132 net units on-line or approved		0 net units on-line or approved	

Source: HUD, USDA (Rural Housing), and VHDA (assisted units); U.S. Census Bureau (elderly renter households)

*Units placed in service or receiving federal or state funding approval since January 2000

Total Low-Income Elderly Units. This inventory includes elderly independent living developments (i.e., unlicensed developments designed for elderly occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes licensed assisted living facilities. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.

Elderly Units with Deep Subsidies. This inventory includes independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Elderly Renter Households. These are renter households with a householder aged 65 or older.

Federal and State Rental Housing Assistance

Total Low-Income Units with Deep Rental/Operating Subsidies

Table 10C		Project-Based Units	Units per 1000 Renter HHs	Tenant-Based Units	Units per 1000 Renter HHs	Total Deep Subs. Units	Units per 1000 Renter HHs
Blacksburg	**1990**	1,032	54	514	27	1,546	80
	2000	1,304	58	543	24	1,847	82
	Change	272	4	29	-3	301	2
	1990-2000	26.4%	7.4%	5.6%	-11.1	19.5%	2.5%
Staunton-Waynesboro	**1990**	816	79	305	29	1,121	108
	2000	1,101	99	514	46	1,615	145
	Change	285	20	209	17	494	37
	1990-2000	34.9%	25.3%	68.5%	58.6	44.1%	34.3%
Harrisonburg	**1990**	716	68	248	24	964	92
	2000	765	56	422	31	1,187	87
	Change	49	-12	174	7	223	-5
	1990-2000	6.8%	-17.6%	70.2%	29.2	23.1%	-5.4%
Winchester	**1990**	87	10	45	5	132	16
	2000	184	19	205	21	389	40
	Change	97	9	160	16	257	24
	1990-2000	111.5%	90.0%	355.6%	320.0%	194.7%	150.0%
Martinsville	**1990**	219	29	497	66	716	95
	2000	365	45	484	60	849	105
	Change	146	16	-13	-6	133	10
	1990-2000	66.7%	55.2%	-2.6%	-9.1	18.6%	10.5%
All Non-Metro. Urban Markets	**1990**	2,870	51	1,609	29	4,479	80
	2000	3,719	57	2,168	33	5,887	90
	Change	849	6	559	4	1,408	10
	1990-2000	29.6%	11.8%	34.7%	13.8	31.4%	12.5%

Source: HUD, USDA (Rural Housing), PHAs, and VHDA (deep subsidy rental units); U.S. Census Bureau (renter households)

Project-Based Units. This inventory includes family and independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.

Tenant-Based Units. This inventory includes all authorized units under the Section 8 Housing Choice Voucher and Moderate Rehabilitation programs. Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2) separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.

Loss of Low-Rent Housing Stock

Loss of Units from Federal/State Assisted Inventory

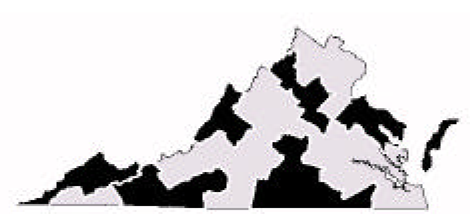
Table 11		Units Lost from Assisted Inventory: Prepay./Opt-Out	Units Lost from Assisted Inventory: Propt. Disposition	Units Provided New Fed./State Assist.	Net Loss of Assisted Units
Blacksburg	**1990 to 1999**	0	0	0	0
	Since Jan. 2000*	160	0	100	60
Staunton-Waynesboro	**1990 to 1999**	24	0	0	24
	Since Jan. 2000*	0	0	0	0
Harrisonburg	**1990 to 1999**	0	0	0	0
	Since Jan. 2000*	0	0	0	0
Winchester	**1990 to 1999**	199	0	0	199
	Since Jan. 2000*	0	0	0	0
Martinsville	**1990 to 1999**	0	0	0	0
	Since Jan. 2000*	0	0	0	0
All Non-Metro. Urban Markets	**1990 to 1999**	223	0	0	223
	Since Jan. 2000*	160	0	100	60

Sources: HUD and USDA (Rural Housing)
*Units lost or slated to be lost since January 2000

Analysis of Housing Needs in the Commonwealth

Part V: Housing Needs in Rural Markets

Cumberland Plateau
Southern Blue Ridge
Alleghany Highlands
Northern Vally-Piedmont
Southside
Northern Neck-Middle Peninsula
Eastern Shore



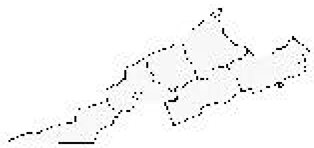
Virginia Department of Housing and Community Development

Virginia Housing Development Authority

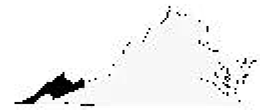
November 2001

Part V: Housing Needs in Rural Markets

Contents



Cumberland Plateau Market Area



Rural City: Norton

Rural Counties: Buchanan, Dickenson, Lee, Russell, Tazewell, and Wise

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Abingdon on March 13, 2001 to solicit public input on housing needs and priorities in the far Southwest area of Virginia. Over 60 persons participated in small, facilitated discussion groups at the forum representing housing needs and interests in the Cumberland Plateau, Southern Blue Ridge and Kingsport-Bristol housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Cumberland Plateau. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forum.

Four Major Themes and Associated Issues Identified at the Abingdon Forum

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development.

Priority Issues Identified by Forum Participants

- **The existing housing stock is in poor condition.**

  There is a shortage of safe, decent, affordable housing. Much of the available housing stock is in poor condition, lacking complete indoor plumbing or having other substantial rehabilitation needs. Too many seniors and persons on fixed incomes live in substandard housing. They often lack the resources for repair, maintenance, and property taxes. Most of the available housing stock will not meet FHA guidelines for purchase. There is a need for additional financial resources for comprehensive repair, maintenance, and weatherization programs.

- **There is a shortage of rental units.**

  There is a shortage of decent, affordable rental units. Upfront money required to move into rental housing is a barrier.

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development.
(continued)

- **Affordable housing is in limited locations.**

  Individuals and families receiving subsidies often cannot find housing where they would prefer to live because of a shortage of suitable options. People wishing to live in rural areas, away from small cities and towns, have limited housing choices due to the difficulties in providing affordable housing units in low density areas.

- **Environmental constraints add to housing costs.**

  There is a shortage of land available and suitable for development. Steep slopes add to development costs, including the costs for wells and septic systems. Alternative wastewater treatment systems are costly and limited in their application. Flat land is often in or near the flood plain, which increases insurance costs.

- **Absence of public water and sewer service limits development options.**

  Public water and sewer service does not extend into developable land and the cost of installation is high. There is a shortage of developable lots available and high utility and construction costs limit affordability. The annexation moratorium inhibits the development of new housing opportunities.

- **Government policies add to housing costs and restrict new development.**

  Zoning restrictions prohibit the development of affordable housing, especially restrictions on manufactured housing. Housing is not always a high priority for state and federal government officials. There is a need to view housing in rural areas as economic development. There is currently no systematic and planned approach for the delivery of housing services.

Related Issues Identified through Needs Analysis

- **Cumberland Plateau is far more reliant on manufactured housing units than any other market area in the state.**

  Manufactured homes accounted for the entire net increase in housing units in the Cumberland Plateau during the 1990s. As a result, the area is now far more reliant than

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development.
(continued)

any other housing market on manufactured homes. In 2000, nearly 40 percent of the total housing units in the region were manufactured homes. This reflects the greater affordability of manufactured units to area residents who, on average, have lower incomes than households in other markets. It also reflects the significant barriers identified by forum participants to developing affordable site-built units in the region. Given the high level of use of manufactured homes in the region, the concerns expressed at the forum regarding zoning restrictions can be assumed to apply either to specific areas of the region or to difficulty in siting manufactured homes in preferred locations.

- **The area has large numbers of deep subsidy units, but relies heavily on tenant-based deep subsidy assistance.**

  Nearly a quarter of all renter households in the Cumberland Plateau have access to deep rental subsidies. The area's ratio of 239 deep subsidy rental units per 1000 renter households is by far the highest of any market area in Virginia (24 percent higher than the Virginia portion of the Kingsport-Bristol market whose ratio of 193 ranks second). However, the area is also far more reliant on tenant-based subsidies than most other markets in the state. This is potentially problematic in light of the housing quality problems citied by forum participants—i.e., a significant number of rental units may not fully meet HUD housing quality standards for participation in the Housing Choice Voucher program. In addition, the area's multifamily housing stock is shrinking. Between 1990 and 2000, the area lost three percent of its multifamily units. This situation helps explain forum participants' references to a shortage of rental units even though Census data shows there was a high rental vacancy rate in 2000 due to out-migration of households from the region.

2. Poor economic conditions limit housing choices.

Priority Issues Identified by Forum Participants

- **The gap between wages and housing costs is increasing.**

  The difference between what people can earn and what people have to pay for housing is increasing in the region. There are many working poor who do not have the job security they need to buy a home. In addition, the region is losing young people because of the lack of job opportunities.

2. Poor economic conditions limit housing choices.
(continued)

Related Issues Identified through Needs Analysis

- **The area has experienced far less economic growth than other regions of Virginia.**

During the 1990s, weakness in the coal industry contributed to sluggish growth in jobs and per capita income in the region. Only the Martinsville area, which experienced a substantial loss of textile jobs, had less economic growth. The rate of increase in jobs and per capita income were roughly half statewide levels. In 1997, the area's poverty rate of 23.0 percent was double the state's rate (only the Eastern Shore's rate of 23.3 percent was higher). In 1999, the area's per capita income of just under $18,000 was the lowest of any region. In 2000, its unemployment rate of 6.1 percent was second only to Martinsville's rate of 8.4 percent.

These poor economic conditions impair the ability of households to afford adequate housing and help explain the area's relatively high ratio of deep subsidy rental units per 1000 renter households. Also, from 1990 to 2000, there was a 16 percent drop in households with children, partly as a result of out-migration from the region. This led to a very large drop in average household size from 2.67 in 1990 (among the highest in the state) to 2.42 in 2000. These changes in household composition, along with weak purchasing power, contributed to weaker home purchase demand and the absence of any increase in the area's homeownership rate.

3. Special needs housing and support services are needed.

Priority Issues Identified by Forum Participants

- **Increased collaborative efforts are needed.**

There is limited collaboration among partners to develop housing for special needs populations, especially the elderly and the mentally ill. Incentives are needed to support the development and maintenance of housing for those with special needs. Supplemental Security Income (SSI) payment levels are too low and those with limited incomes cannot afford adequate housing.

- **More transitional housing and support services are needed.**

There is insufficient transitional housing. Case management assistance is needed for individuals in housing transi-

3. Special needs housing and support services are needed. (continued)

tion to increase their success rate in breaking the cycle of dependence. This needs to include financial counseling and education on affordable financing alternatives.

- **There are few accessible housing choices.**

  More housing is needed for people with disabilities. Communication with builders and elected officials is needed regarding the needs of this segment of the population.

4. The administration of policies, programs, and regulations is not coordinated and responsive to needs.

Priority Issues Identified by Forum Participants

- **Program guidelines preclude some needs.**

  Regulations for block grants prohibit funding for scattered sites, but not all deteriorated housing is in neighborhoods in rural areas. There is a perception that Community Development Block Grant and HOME funds are being used disproportionately in urban areas. On-site water and sewer is difficult to obtain for some people, because perk tests, drilling, and other related costs, cannot be included in the appraisal fee. Deed restrictions required by the Indoor Plumbing-Rehabilitation program are a problem.

- **Access to financing is not always available.**

  Criteria for financing a home discourage homeownership among low-income persons and families. More needs to be done to provide workable financing for low- and very low-income families. Sometimes it is difficult to find individuals who fit all of the guidelines, the process takes a long time, it is difficult to find comparables for an appraisal, and cap limits on sales price withhold housing stock. Income guidelines can restrict home buying and rehabilitation projects. Down payment and closing cost requirements and the need for a good credit history inhibit some people from obtaining homeownership.

- **Balanced and continuous funding is needed.**

  There is a need for balanced and continuous funding from all levels of government. There is a perception of a bias toward urban versus rural funding assistance, entitlement versus non-entitlement communities, and metropolitan versus non-metropolitan areas.

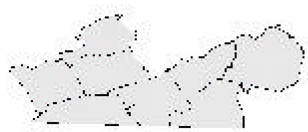
4. The administration of policies, programs, and regulations is not coordinated and responsive to needs. (continued)

- **Consumer awareness and assistance are inadequate.**

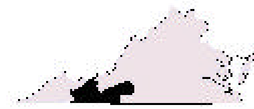
  More education is needed concerning how to buy a house and available programs for assistance. Realtors and lenders need to increase their knowledge and advocacy.

- **Greater coordination of services is needed.**

  There is a need to better coordinate services and forge greater cooperation among all the parties involved to make homeownership available to more people. There is a fragmented delivery system and a multiplicity of agencies and programs that must be brought together in order to address housing needs. There is little understanding of the array of available services, as no one agency or organization has overall knowledge of what is available or responsibility for putting the pieces together.



Southern Blue Ridge Market Area



Rural City: Galax

Rural Counties: Bland, Carroll, Floyd, Franklin, Grayson, Patrick, Smyth, and Wythe

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Abingdon on March 13, 2001 to solicit public input on housing needs and priorities in the far Southwest area of Virginia. Over 60 persons participated in small, facilitated discussion groups at the forum representing housing needs and interests in the Cumberland Plateau, Southern Blue Ridge and Kingsport-Bristol housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Southern Blue Ridge. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forum.

Four Major Themes and Associated Issues Identified at the Abingdon Forum

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development.

Priority Issues Identified by Forum Participants

- **The existing housing stock is in poor condition.**

  There is a shortage of safe, decent, affordable housing. Much of the available housing stock is in poor condition, lacking complete indoor plumbing or having other substantial rehabilitation needs. Too many seniors and persons on fixed incomes live in substandard housing. They often lack the resources for repair, maintenance, and property taxes. Most of the available housing stock will not meet FHA guidelines for purchase. There is a need for additional financial resources for comprehensive repair, maintenance, and weatherization programs.

- **There is a shortage of rental units.**

  There is a shortage of decent, affordable rental units. Upfront money required to move into rental housing is a barrier.

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development. (continued)

- **Affordable housing is in limited locations.**

  Individuals and families receiving subsidies often cannot find housing where they would prefer to live because of a shortage of suitable options. People wishing to live in rural areas, away from small cities and towns, have limited housing choices due to the difficulties in providing affordable housing units in low density areas.

- **Environmental constraints add to housing costs.**

  There is a shortage of land available and suitable for development. Steep slopes add to development costs, including the costs for wells and septic systems. Alternative wastewater treatment systems are costly and limited in their application. Flat land is often in or near the flood plain, which increases insurance costs.

- **Absence of public water and sewer service limits development options.**

  Public water and sewer service does not extend into developable land and the cost of installation is high. There is a shortage of developable lots available and high utility and construction costs limit affordability. The annexation moratorium inhibits the development of new housing opportunities.

- **Government policies add to housing costs and restrict new development.**

  Zoning restrictions prohibit the development of affordable housing, especially restrictions on manufactured housing. Housing is not always a high priority for state and federal government officials. There is a need to view housing in rural areas as economic development. There is currently no systematic and planned approach for the delivery of housing services.

Related Issues Identified through Needs Analysis

- **The Southern Blue Ridge is more reliant on manufactured housing units than most other market areas.**

  During the 1990s, manufactured homes accounted for 58 percent of the net increase in single-family units. The area's reliance on manufactured housing was not nearly as

1. There are few affordable housing options—the housing stock is deteriorating with limited opportunities for new development.
(continued)

high as in the adjacent Cumberland Plateau, but was still considerably higher than in most other housing markets. In 2000, 26 percent of the total housing units in the region were manufactured housing units. This reflects the greater affordability of manufactured units to area residents who, on average, have lower incomes than households in most other market areas. It also reflects the significant barriers identified by forum participants to developing affordable site-built units in the region. Given the high level of use of manufactured homes in the region, the concerns expressed at the forum regarding zoning restrictions can be assumed to apply either to specific areas of the region or to difficulty in siting manufactured homes in preferred locations.

- **The area was the only rural market in which the rate of growth in renter households exceeded the increase in assisted rental units.**

The Southern Blue Ridge, unlike most other rural areas, experienced a high rate of household and housing unit growth during the 1990s. However, the area's rate of increase in total assisted rental units was nearly half the statewide rate and well below the rate in most other rural markets. As a result, the Southern Blue Ridge was the only rural market in which the rate of growth in renter households exceeded the increase in assisted rental units. In 1990, the area's ratio of total assisted units per 1000 renter households was above the statewide average, but by 2000, it had fallen below the state level. In addition, the area was the only rural market to experience a significant decline in the ratio of deep subsidy family units per 1000 non-elderly renter households. This helps to explain forum participants' references to a shortage of affordable rental units even though Census data shows the area had an above-average rental vacancy rate in 2000.

2. Poor economic conditions limit housing choices.

Priority Issues Identified by Forum Participants

- **The gap between wages and housing costs is increasing.**

The difference between what people can earn and what people have to pay for housing is increasing in the region. There are many working poor who do not have the job security they need to buy a home. In addition, the region is losing young people because of the lack of job opportunities.

2. Poor economic conditions limit housing choices.
(continued)

Related Issues Identified through Needs Analysis

- **The area has experienced less economic growth than most other regions of Virginia.**

  During the 1990s, the region lagged behind most other markets in important measures of economic well-being. While total area jobs grew at a faster rate than in rural areas as a whole, so too did the labor force. Consequently, unemployment remained higher than in most other markets. In 2000, its unemployment rate of 5.2 percent was more than double the statewide rate of 2.2 percent, and was higher than in any other market except the Cumberland Plateau, which continued to suffer from weakness in coal, and the Martinsville area, which experienced the loss of a substantial number of textile jobs. Likewise, average income continued to lag other regions even though the market experienced higher per capita income growth than in rural areas as a whole. In 1999, the area's per capita income of just under $19,500 was the third lowest of any market.

  These relatively weak economic conditions impair the ability of households to afford adequate housing and help explain the area's above-average ratio of deep subsidy rental units per 1000 renter households. Also, from 1990 to 2000, the area had limited growth in households with children but a very high rate of growth of childless households. This contributed to a large drop in average households size from 2.53 in 1990 to 2.38 in 2000. These changes in household composition, along with weak purchasing power, contributed to weaker home purchase demand. The Southern Blue Ridge was the only rural housing market to experience an overall decline in its homeownership rate during the 1990s.

3. Special needs housing and support services are needed.

Priority Issues Identified by Forum Participants

- **Increased collaborative efforts are needed.**

  There is limited collaboration among partners to develop housing for special needs populations, especially the elderly and the mentally ill. Incentives are needed to support the development and maintenance of housing for those with special needs. Supplemental Security Income (SSI) payment levels are too low and those with limited incomes cannot afford adequate housing.

3. Special needs housing and support services are needed. (continued)

- **More transitional housing and support services are needed.**

  There is insufficient transitional housing. Case management assistance is needed for individuals in housing transition to increase their success rate in breaking the cycle of dependence. This needs to include financial counseling and education on affordable financing alternatives.

- **There are few accessible housing choices.**

  More housing is needed for people with disabilities. Communication with builders and elected officials is needed regarding the needs of this segment of the population.

4. The administration of policies, programs, and regulations is not coordinated and responsive to needs.

Priority Issues Identified by Forum Participants

- **Program guidelines preclude some needs.**

  Regulations for block grants prohibit funding for scattered sites, but not all deteriorated housing is in neighborhoods in rural areas. There is a perception that Community Development Block Grant and HOME funds are being used disproportionately in urban areas. On-site water and sewer is difficult to obtain for some people, because perk tests, drilling, and other related costs, cannot be included in the appraisal fee. Deed restrictions required by the Indoor Plumbing-Rehabilitation program are a problem.

- **Access to financing is not always available.**

  Criteria for financing a home discourage homeownership among low-income persons and families. More needs to be done to provide workable financing for low- and very low-income families. Sometimes it is difficult to find individuals who fit all of the guidelines, the process takes a long time, it is difficult to find comparables for an appraisal, and cap limits on sales price withhold housing stock. Income guidelines can restrict home buying and rehabilitation projects. Down payment and closing cost requirements and the need for a good credit history inhibit some people from obtaining homeownership.

4. The administration of policies, programs, and regulations is not coordinated and responsive to needs. (continued)

- **Balanced and continuous funding is needed.**

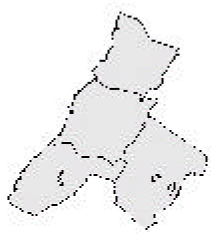
  There is a need for balanced and continuous funding from all levels of government. There is a perception of a bias toward urban versus rural funding assistance, entitlement versus non-entitlement communities, and metropolitan versus non-metropolitan areas.

- **Consumer awareness and assistance are inadequate.**

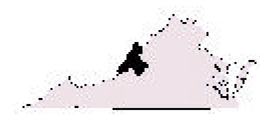
  More education is needed concerning how to buy a house and available programs for assistance. Realtors and lenders need to increase their knowledge and advocacy.

- **Greater coordination of services is needed.**

  There is a need to better coordinate services and forge greater cooperation among all the parties involved to make homeownership available to more people. There is a fragmented delivery system and a multiplicity of agencies and programs that must be brought together in order to address housing needs. There is little understanding of the array of available services, as no one agency or organization has overall knowledge of what is available or responsibility for putting the pieces together.



Alleghany Highlands Market Area



Rural Cities: Buena Vista, Covington, and Lexington

Rural Counties: Alleghany, Bath, Highland and Rockbridge

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Harrisonburg on March 6, 2001 to solicit public input on housing needs and priorities in small urban and rural regions in northern and western Virginia. Over fifty persons participated in small, facilitated discussion groups at this forum representing housing needs and interests in the Alleghany Highlands, Staunton-Waynesboro, Harrisonburg, Winchester, Charlottesville and Northern Valley-Piedmont housing market areas.

Attendance at this forum by persons representing housing needs and interests in the Alleghany Highlands was very limited. In addition, data analysis shows a divergence in demographic, economic and housing trends in the Alleghany Highlands and the other market areas that were represented. Available quantitative information indicates conditions and trend are more similar to the Roanoke market area than to the small urban and rural markets to the north and east.

The following is a summary of the common priority issues identified by participants at both the Harrisonburg and Roanoke forums, along with priority issues identified in the Harrisonburg forum that are consistent with housing conditions and trends in the Alleghany Highlands. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the primary themes arising from public discussion at the forum.

Four Major Common Themes and Associated Issues Identified at the Harrisonburg and Roanoke Forums

1. There is not enough housing affordable to very low-income people.

Priority Issues Identified by Forum Participants

- **The gap between incomes and housing costs is growing.**

  People earning low wages or on fixed incomes have limited housing choices. This is due to the growing gap between the incomes of very low-income people and rising housing costs.

1. There is not enough housing affordable to very low-income people.
(continued)

Related Issues Identified through Needs Analysis

- **Very low-income people in the region cannot afford adequate rental housing even though it is more affordable than in most other rural and urban markets.**

  Generally, rental housing is more affordable in the Alleghany Highlands than in other rural and urban areas. Prevailing rents are below the average for rural areas, while per capita income and per capita income growth are above average for rural markets. In addition, the rental vacancy rate has increased, helping to contain increases in rents. On average, a lower share of median income is required to afford adequate rental housing than in all other housing markets except Staunton-Waynesboro. Even so, most very low-income people (i.e., those with income below 50 percent of area median) cannot afford housing at prevailing rents.

- **Overall, the housing stock is somewhat more balanced than in other rural areas, but is also old and unevenly distributed by location and groups served.**

  The Alleghany Highlands has experienced a very low rate of growth for an extended period of time. During the 1990s, household and housing growth rates were roughly half the statewide levels. Consequently, the housing stock is older than in most other market areas. This increases the need for housing maintenance and repair, which many very low-income homeowners cannot afford.

  The market has a higher share of multifamily units than other rural areas, but they are concentrated in limited locations. In Alleghany County, the Town of Clifton Forge has a very high number of assisted elderly units. Lexington City also has a large number of multifamily units, but many of them serve the student population. Other portions of the market have relatively limited numbers of multifamily rental units. Furthermore, the market had virtually no increase in its multifamily housing stock during the 1990s, so the average age of the rental stock is increasing.

1. There is not enough housing affordable to very low-income people.

(continued)

- **The market area has above-average availability of deep subsidy units, but low-income households in some counties lack access to housing assistance.**

The area's ratio of total deep subsidy rental units per 1000 renter households is relatively high compared to other rural markets, and is above the statewide level. Nevertheless, the two most rural counties—Bath and Highland—have no assisted or deep subsidy rental units. Low-income service workers in Bath County's tourism industry must commute to the Covington area in order to obtain housing assistance. Low-income workers in Highland County are extremely isolated from the nearest locations with assisted or deep subsidy housing (i.e., Covington and Staunton).

- **Homeownership is relatively more affordable than in other rural areas.**

The Alleghany Highlands has experienced above-average economic performance compared to other rural markets. Per capita income growth has exceeded other rural areas and the statewide average, while in 2000 the unemployment rate was the second lowest among rural areas and near the statewide average. In addition, manufactured homes accounted for nearly half the area's increase in single-family units during the 1990s. This further contributed to the affordability of homeownership. Partly as a consequence of these factors, the Alleghany Highlands had the largest increase in homeownership of any rural area, and an increase that exceeded the statewide average.

2. Special needs housing and support services are inadequate.

Priority Issues Identified by Forum Participants

- **Transitional and long-term housing for people with special needs are inadequate.**

Changes in discharge policies are increasing the need for transitional and permanent housing for people with disabilities leaving hospitals and rehabilitation centers. A growing number of such people are at risk of becoming homeless due to lack of adequate transitional housing options. Quality, affordable, long-term assisted living options with access to support system programs and services are needed for disabled people and seniors.

3. There are barriers to accessing assistance.

Priority Issues Identified by Forum Participants

- **Credit and financial management problems hinder homeownership.**

  Many people in need of housing are not knowledgeable about credit requirements for home purchase or rental housing. They are unable to access housing because of problems with work history, debt, credit history and/or references. Credit and financial management counseling are needed to help people qualify for public program assistance and commercial loans.

4. There is a lack of local priority for housing.

Priority Issues Identified by Forum Participants

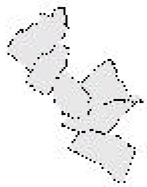
- **There is insufficient local government concern for housing needs.**

  Concerns were expressed at both of the forums that local governments are reluctant to address housing needs and do not view housing as a priority. Concern was also expressed that current government policies, including zoning ordinances, are restricting housing choices due to increased costs to meet zoning demands or the lack of sites suitably zoned for needed residential development.

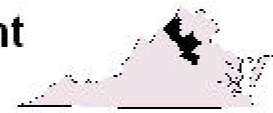
Related Issues Identified through Needs Analysis

- **There is limited local involvement in administering the Housing Choice Voucher program.**

  A majority of the localities in the market area (i.e., Alleghany, Bath and Highland Counties, and Buena Vista City) have no local Housing Choice Voucher program. This limits access to affordable rental housing by the lowest income populations in the region.



Northern Valley-Piedmont Market Area



Rural Counties: Culpeper, Louisa, Madison, Orange, Page and Shenandoah

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Harrisonburg on March 6, 2001 to solicit public input on housing needs and priorities in small urban and rural regions in northern and western Virginia. Over fifty persons participated in small, facilitated discussion groups at this forum representing housing needs and interests in the Northern Valley-Piedmont, Charlottesville, Winchester, Harrisonburg, Staunton-Waynesboro, and Alleghany Highlands housing market areas. The following is a summary of the priority issues identified by forum participants that relate to housing needs in the Northern Valley-Piedmont. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forum.

Four Major Themes and Associated Issues Identified at the Harrisonburg Forum

1. Rising demand is decreasing the availability of affordable housing options.

Priority Issues Identified by Forum Participants

- **There is a growing gap between wages and housing costs.**

  The difference between what people can earn and what people have to pay for housing is increasing in the region. This growing gap is fueled in part by increased competition for housing as a result of retirees moving into the area and commuters who travel outside the region for employment. Not only does this create a tighter housing market, but these consumers can also generally afford to pay more for housing. Many long-time residents have limited earning potential and are becoming more dependent on subsidies to obtain housing or are forced to live in crowded conditions. As a result, the rising demand for Housing Choice Vouchers continues to exceed the availability of subsidy assistance.

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

- **The availability of affordable housing is decreasing.**

  Landlords with affordable units are becoming less willing to accept vouchers due to a history of tenant late payment or other prior tenant problems. This "Section 8" stigma limits the number of units that are available, even if a voucher is obtained. There is a need to educate landlords as to the advantages of participation and to dispel stereotypes.

Related Issues Identified through Needs Analysis

- **Spillover growth from adjacent urban markets has kept vacancies low.**

  The Northern Valley-Piedmont is the fastest growing of the rural market areas. Spillover from the rapidly growing Washington-Arlington, Fredericksburg, Richmond and Charlottesville areas has caused increases in households, employment and housing to exceed statewide averages. Spillover from high income, adjoining markets has also impacted income. Per capita income in the market is second only to the Northern Neck-Middle Peninsula (which also borders high income urban areas) among rural areas. Growth in per capita income has roughly matched the statewide average, as has the poverty rate.

  Rapid growth and net in-migration of young households have helped to stem the decline in the share of families with children and the decline in average household size. Average household size is much higher than in other rural areas and roughly equals the statewide average. This has kept demand for homeownership strong. At the same time, lack of affordable rental housing in adjacent urban markets has helped to maintain demand for multifamily housing.

  Single-family development has generally kept pace with demand, but production of rental housing has not. The multifamily share of the housing stock is higher than in most other rural areas, but the increase in multifamily units has been lower than in a number of other rural markets. As a result, the rental vacancy rate has declined, and the rental market is tighter than in most other rural and urban areas.

1. Rising demand is decreasing the availability of affordable housing options.
(continued)

- **Housing costs are high relative to income for the lowest income populations.**

Overall rent affordability is comparable to other rural areas and higher than the statewide level. However, the area's proximity to high cost urban areas has driven up land prices and led to higher rent levels. This has impacted affordability for the lowest income populations whose minimum wage or fixed benefit incomes have not kept pace with rising housing costs. The rental affordability gap for these households is higher than in most other rural markets.

The increase in the Northern Valley-Piedmont's overall homeownership rate has been larger than in most other rural areas due to higher income and income growth. However, the gain in homeownership has lagged behind the statewide average. The area has the largest disparity among rural markets between non-Hispanic White and Hispanic homeownership rates. There was a large drop in the homeownership rate for Hispanics between 1990 and 2000. The area has also experienced considerably less use of manufactured homes than in other rural markets. This has reduced affordable home purchase alternatives for low-income households.

- **There is relatively limited availability of deep rental subsidies, particularly for families.**

The area has a larger rental affordability gap than most other rural areas, but has a low ratio of deep subsidy units per 1000 renter households. This is primarily a problem for family households. The ratios of total assisted and deep subsidy elderly units per 1000 elderly renter households are at or above statewide averages. However, the comparable ratios for assisted and deep subsidy family units are below statewide levels. The area fares worst in the ratio of deep subsidy family units per 1000 non-elderly renter households. That ratio is well below the statewide level and fell between 1990 and 2000.

The area is also burdened by an above average reliance on tenant-based subsidies. As noted by forum participants, there has been increased difficulty maintaining landlord participation in the Housing Choice Voucher program due in part to tight rental market conditions.

2. Special needs housing and support services are inadequate.

Priority Issues Identified by Forum Participants

- **Seniors need increased assistance and support in order to remain in their homes.**

  There is a growing need for assistance to help people stay in their homes. This includes making adaptations as residents age, and maintaining and repairing aging housing to ensure it is safe.

- **Transitional housing choices are inadequate.**

  There is a growing need for readily accessible transitional housing for those in need such as people with mental disabilities, seniors, and victims of abuse. Deinstitutionalization has helped to increase this need and few housing options exist for people transitioning from one housing situation to another. There is an increasing demand for beds in emergency shelters for the homeless and temporary housing for families in crisis.

- **Demand for accessible housing is increasing.**

  Demand is also increasing for housing that is appropriate for people with physical disabilities. Many people do not realize what "accessible" really means and few units are available to the disabled. Affordability is a key issue as many disabled people have limited earning potential.

- **Mobility and support services are required.**

  Housing for people with special needs is not always convenient to other necessary support services such as shopping, medical services, and public transportation. There is a need for increased housing that is close to services as well as employment opportunities.

3. There is insufficient awareness, commitment, and support to make housing a priority issue in the region.

Priority Issues Identified by Forum Participants

- **Local governments need to increase support for housing.**

  Concerns were expressed that local governments are reluctant to address the variety of housing needs in the region. This reluctance may arise from a lack of awareness of the extent of needs as well as a perception that additional

3. There is insufficient awareness, commitment, and support to make housing a priority issue in the region.
(continued)

housing will produce increased demands for additional public expenditures for schools and other support services. Concern was also expressed that current government policies, including zoning ordinances, are restricting housing choices due to increased costs to meet zoning demands or the lack of sites suitably zoned for needed residential development.

- **Increased community awareness and support are needed.**

  The general public is not aware of the extent of housing needs, nor does it have a thorough understanding of the issues affecting affordable and accessible housing. This lack of awareness and support hampers the development of local political will to address these issues.

- **A more regional response is needed.**

  Regional approaches to addressing housing needs are insufficient. This includes not only local government responses, but also the lack of regional coordination among existing public and private housing organizations and programs.

- **Housing needs to be more integrated into community planning activities.**

  A holistic approach is needed to tie affordable and accessible housing more closely to community planning and development. There is a need to seek more creative solutions to housing issues instead of pursuing traditional approaches. There is also a need to develop more leadership in the arena of housing development in the non-urbanized areas of the region.

4. There are barriers to accessing assistance.

Priority Issues Identified by Forum Participants

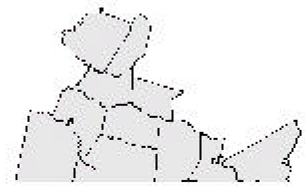
- **Housing program options are too limited.**

  More options are needed among the "products" offered for housing assistance. Flexibility in program design needs to be increased and limits on service and income levels need to be broadened.

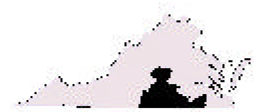
4. There are barriers to accessing assistance.
(continued)

- **Credit and financial management problems hinder homeownership.**

  Many people in need of housing are not knowledgeable about credit requirements for home purchase. They are unable to acquire money for homeownership because of problems with work history, debt, credit history and/or references. Credit and financial management counseling are needed to help people qualify for program assistance and commercial loans.



Southside Market Area



Rural Cities: Emporia and Franklin

Rural Counties: Brunswick, Buckingham, Charlotte, Cumberland, Greensville, Halifax, Lunenburg, Mecklenburg, Nottoway, Prince Edward, and Southampton

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in South Hill on March 22, 2001 to solicit public input on housing needs and priorities in the Southside housing market area. Twenty-five persons participated in small, facilitated discussion groups at the forum. The following is a summary of the priority issues and needs identified by forum participants. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the three primary themes arising from public discussion at the forum.

Three Major Themes and Associated Issues Identified at the Southside Forum

1. There is little or no availability of affordable, safe, decent housing.

Priority Issues Identified by Forum Participants

- **Available housing is becoming more expensive.**

  Prices for land and existing housing are being driven up by an influx of people from other states and regions in Virginia. Zoning restrictions prevent manufactured housing from being an affordable alternative. Lower wage rates in the region create an inability to save for down payment and closing costs. The elderly, and others on fixed incomes, have difficulty finding affordable housing.

- **There is a shortage of affordable, decent rental units.**

  Existing rents are very high due to a shortage of rental units and high demand. Family and friends provide housing to people who would otherwise be homeless. There is little or no enforcement of the landlord/tenant act and building codes. This helps create substandard housing.

1. There is little or no availability of affordable, safe, decent housing.
(continued)

Related Issues Identified through Needs Analysis

- **Below-average employment and income growth have constrained purchasing power.**

  During the 1990s, Southside experienced below average growth in employment and income. While unemployment fell to a relatively low level, many of the jobs in the region still pay low wages. Consequently, the area continues to have a very high poverty rate and its per capita income in 1999 of just over $19,000, was the second lowest in the state. These weak economic conditions have constrained purchasing power for renters and would-be homebuyers.

  The area experienced a smaller increase in homeownership than did surrounding metropolitan markets. There is a large disparity between the homeownership rates for non-Hispanic Whites and Hispanics. That disparity grew significantly during the 1990s due to a decline in Hispanic homeownership that was the largest of any rural area.

  Weak home purchasing power is reflected in the very high reliance on manufactured homes. During the 1990s, nearly three quarters of the net increase in single-family units were manufactured homes, and in 2000, over one quarter of the entire housing stock were manufactured units. Given the high level of use of manufactured homes in the region, the concerns expressed at the South Hill forum regarding local zoning restrictions on manufactured housing can be assumed to apply either to specific areas of the region or to difficulty in siting manufactured homes in preferred locations.

- **Gains in project-based deep subsidy units have been offset by limited availability of Housing Choice Vouchers.**

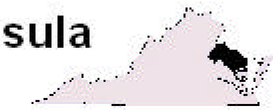
  Southside experienced considerable rental housing development during the 1990s, much of it financed through the Rural Housing Service Section 515 program. The area now has the highest ratios of assisted and deep subsidy family units per 1000 non-elderly renter households of any rural area. Those ratios are also above the statewide average. The area began the past decade with extremely low ratios of assisted and deep subsidy rental elderly units per 1000 elderly renter households. However, a substantial

1. There is little or no availability of affordable, safe, decent housing. (continued)	number of assisted and deep subsidy elderly units were produced during the 1990s, so that by 2000, the ratios had considerably increased and were only moderately below statewide averages. Offsetting the gains in project-based deep subsidy units is the limited availability of Housing Choice Vouchers. Only three of the 13 area localities have a local Housing Choice Voucher program.[1] Consequently, Southside has the lowest ratio of tenant-based deep subsidy units per 1000 renter households of any market area. This negatively impacts the area's overall availability of deep rental subsidy assistance. The ratio of total deep subsidy units per 1000 renter households is below the state average. The gap in deep subsidy availability between the region and the state as a whole is substantial when the total number of deep subsidy units is compared to the number of people in poverty.
2. People in need are unable to obtain appropriate financing or find suitable housing.	**Priority Issues Identified by Forum Participants** • **Obtaining financing is difficult.** Inflexible criteria for rehabilitation loans and grants prevent low-interest rate money from being used. Rural Development has 1% money available but has difficulty identifying creditworthy people who meet loan qualifications. The higher risk of poor resale marketability in rural areas causes lenders to be less likely to loan money. • **Increased consumer awareness is needed.** Consumers lack awareness of available options and are vulnerable to some predatory lending practices that are taking place. There is a lack of education and training on homeownership opportunities. Training on basic life skills and financial management is also needed.

[1] Recently, the Piedmont Planning District Commission has expressed interest in the initiation a Housing Choice Voucher program in its service area, which includes five unserved counties in the northern portion of the market area. However, any such new program is dependent on future availability of additional federal subsidy funds.

2. People in need are unable to obtain appropriate financing or find suitable housing. (continued)	• **Discrimination is taking place.** There is discrimination toward people with disabilities, families with children, and by race. Some property owners violate fair housing laws. There is a belief that there are different mortgage approval rates for whites and blacks. Homeowners insurance is sometimes denied for questionable reasons. Zoning and building code enforcement decisions limit the locations where affordable housing can be built.
3. Demand for housing serving special needs populations is increasing.	**Priority Issues Identified by Forum Participants** • **Deinstitutionalization is increasing demand for housing.** There has been an increase in demand for housing that is suitable for mentally and physically disabled and geriatric populations and people not covered by Medicaid who have been released from institutions.

Northern Neck-Middle Peninsula Market Area



Rural Counties: Caroline, Essex, King and Queen, King George, Lancaster, Middlesex, Northumberland, Richmond, and Westmoreland

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Champlain on March 9, 2001 to solicit public input on housing needs and priorities in the Northern Neck-Middle Peninsula housing market area. Forty-six persons participated in small, facilitated discussion groups at the forum. The following is a summary of the priority issues and needs identified by forum participants. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the five primary themes arising from public discussion at the forum.

Five Major Themes and Associated Issues Identified at the Champlain Forum

1. There is little or no availability of affordable, safe, decent housing.

Priority Issues Identified by Forum Participants

- **The housing stock is aging and in poor condition.**

  Much of the existing housing stock is old and in need of repair. Many units still lack indoor plumbing and/or complete kitchens. Other units have major housing code violations that landlords will not fix or homeowners cannot afford to address. Lower income individuals often live in substandard housing units because they lack any other choice.

- **There is a shortage of rental units.**

  Existing rents are very high due to a shortage of rental units and high demand. There is a low supply of affordable and appropriate land for development of rental units. There is a shortage of safe, decent, and affordable seasonal housing for migrant workers which helps to increase demand for rental units.

- **There are multiple constraints on new development.**

  Poor surface water drainage and the inability to install septic systems limit new development in many areas. Costs for alternative on-site wastewater systems are prohibitive. There are very few public water and wastewater systems in

1. There is little or no availability of affordable, safe, decent housing.
(continued)

the region. The shortage of land suitable for development has driven up the cost of property. In addition some properties, otherwise suitable for development, are difficult to build on due to the lack of a clear title as a result of multiple heirs.

Related Issues Identified through Needs Analysis

- **Spillover growth from adjacent urban markets has kept housing demand strong.**

Over the past decade, the Northern Neck-Middle Peninsula is one of two rural markets to have experienced higher rates of household, employment and housing growth than the state as a whole. This has been due to spillover from the rapidly growing Washington-Arlington and Fredericksburg markets, as well as from Richmond and Hampton Roads. Spillover from high income, adjoining markets has also impacted income. Per capita income in the market is the highest among rural areas. However, growth in per capita income has fallen short of the statewide average and the poverty rate is above the state average.

Healthy growth and net in-migration have kept demand for homeownership strong in the region, which has the highest homeownership rate of any market area in the state. The extremely high homeownership rate is partly due to the age structure of the population. The region has the highest share of people age 65 or older (18.1 percent) of any market area. The higher propensity of older persons to own homes has pushed up the overall homeownership rate in the area. In addition, the area has the highest elderly homeownership rate of any market. Development of single-family homes has been in balance with increased demand so vacancies have remained stable. There has been a minimal increase in the homeownership rate since 1990, but given the very high level of homeownership, there may simply not be a lot of potential for further increases.

While, single-family development has generally kept pace with demand, production of rental housing has not. As a result, the rental vacancy rate has declined, and the rental market is tighter than in most other rural areas. The multi-family share of the housing stock remains the lowest of any market area in the state.

1. There is little or no availability of affordable, safe, decent housing.
(continued)

- **Housing costs are high relative to income for the lowest income populations.**

Overall rent affordability is comparable to other rural areas and higher than the statewide level. However, the area's proximity to high cost urban areas has driven up land prices and led to higher rent levels. This has impacted affordability for the lowest income populations whose minimum wage or fixed benefit incomes have not kept pace with rising housing costs. The rental affordability gap for these households is higher than in most other rural markets. This is exacerbated by the above average poverty rate in the area. There is a large share of people with very low incomes even though the overall per capita income level is higher than in other rural areas.

The area also has a large disparity between non-Hispanic White and Hispanic homeownership rates. In addition, there was a large drop in the Hispanic home-ownership rate between 1990 and 2000. The area has a substantial Black population, but the disparity in non-Hispanic White and Black homeownership rates is not large.

- **There is relatively limited availability of deep rental subsidies, particularly for families.**

The area has a larger rental affordability gap than most other rural areas, but has the lowest ratio of total deep subsidy units per 1000 renter households. That ratio is just 60 percent of the statewide level. If deep subsidy units per 1000 persons in poverty are the measure, then the region's situation looks far worse. The area's ratio remains the lowest of any market area and is just 30 percent of the statewide level.

The availability of deep rental subsidy assistance is particularly a problem for family households. The ratio of deep subsidy elderly units per 1000 elderly renter households is above the statewide average as a result of considerable production of assisted elderly rental housing during the 1990s through the HUD Section 202 program and the Rural Housing Service Section 515 program. In contrast, the ratio for deep subsidy family units per 1000 non-elderly renter households is just 40 percent of the statewide level.

2. Demand is high for housing for seniors and others with special needs.

Priority Issues Identified by Forum Participants

- **Senior homeowners have an increasing need for assistance.**

  There is a growing need for assistance to help people stay within their existing homes. This includes making adaptations as residents get older as well as maintaining and repairing aging housing to ensure it is safe.

- **Few housing options exist for those needing assisted living.**

  There is a growing need for assisted living housing, for both short and long-term use, for people with mental and physical disabilities and substance abuse problems. Community education is needed to help remove the "not-in-my-backyard" attitude that often blocks the provision of this type of housing. The aging population in this region will increase the demand for nursing home beds in the future.

- **Mobility and support services are inadequate.**

  Housing for people with special needs is not always convenient to other necessary support services such as shopping, medical services, nutritional support, and public transportation. There is a need for increased housing that is close to services or transportation.

- **Homeownership is difficult to afford for people with disabilities.**

  The current cap on Supplemental Security Income (SSI) prohibits some individuals from buying homes. People with special needs often have income earning limits that prohibit them from buying a home without some form of assistance.

- **The homeless population is increasing.**

  Lack of appropriate community housing has caused an increase in homelessness among people being discharged from state institutions and hospitals.

3. Increased local government and community support is needed.

Priority Issues Identified by Forum Participants

- **There is inadequate local awareness and support.**

  Technical help is needed to explain to elected officials and the public what the housing situation is, the consequences of not addressing housing needs, possible solutions and their benefits, and the economic advantages. Local organizations need assistance to promote their programs and activities.

Related Issues Identified through Needs Analysis

- **Parts of the region are not served by a local Housing Choice Voucher program.**

  Caroline and King George Counties do not have local Housing Choice Voucher programs. This limits access to affordable rental housing by the lowest income populations in the northwestern portion of region. Caroline County has expressed interest in initiating a local program, but that is dependent on future availability of additional federal subsidy funds.

4. People in need are unsure or unable to access programs.

Priority Issues Identified by Forum Participants

- **Education is needed for consumers and housing providers.**

  There is still a need to inform potential program participants about what is available and how to access assistance. Consumers and providers are unsure where to go for assistance. In addition, housing providers do not know how to package deals.

- **Potential homeowners need credit counseling.**

  Education is needed for people of all ages as to the importance of good credit and how to get and maintain it. Bad credit histories are prohibiting some people from accessing programs and receiving financing. Education on money management as well as housing maintenance is needed. Consumers underutilize the few available housing counseling agencies.

5. Program requirements strain existing resources and limit participation.

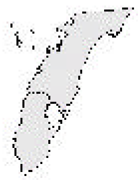
Priority Issues Identified by Forum Participants

- **Administrative requirements tax the capacity of small housing organizations.**

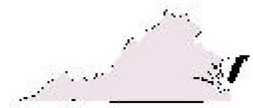
  Application, monitoring, reporting, and documentation requirements of government programs are straining the resources of existing housing organizations. These organizations typically rely on community volunteers and part-time staff members who do not always have the capacity to keep up with administrative requirements. Long waiting periods for funds hinders an adequate response to needs.

- **Program guidelines preclude participation by some people in need.**

  Competitive system for funding results in localities with different levels of need competing against one another. Programs that focus on areas of concentrated need limit help to localities with scattered housing stock that is in serious need. A narrow definition of beneficiaries sometimes limits participation by people in need.



Eastern Shore Market Area



Rural Counties: Accomack and Northampton

Summary of Priority Housing Issues and Needs

A half-day housing forum was held in Belle Haven on April 4, 2001 to solicit public input on housing needs and priorities in the Eastern Shore housing market area. Thirty persons participated in small, facilitated discussion groups at the forum. The following is a summary of the priority issues and needs identified by forum participants. Also included is a summary of additional issues identified through the housing needs analysis that directly relate to the four primary themes arising from public discussion at the forum.

Four Major Themes and Associated Issues Identified at the Belle Haven Forum

1. There is little or no availability of affordable, safe, decent housing.

Priority Issues Identified by Forum Participants

- **The existing housing stock is in poor condition.**

  The region has a high number of substandard units that need rehabilitation. There are numerous units which lack indoor plumbing that are primarily renter occupied. There is little financial incentive to install indoor plumbing plus many properties have poor soil conditions for septic systems. There is a shortage of qualified contractors who do rehabilitation work.

- **The earning potential of many residents is low.**

  There is a shortage of jobs that pay wages sufficient to make housing more affordable. Poor employment opportunities and low earning potential discourage production of rental housing, as market rates are low. Low-wage homeowners lack resources to maintain and rehabilitate their dwelling units and renters often have to settle for substandard units because that is all that is affordable

1. There is little or no availability of affordable, safe, decent housing.
(continued)

- **Programs and resources are inadequate to meet needs.**

  Unrealistic goals are set regarding payments to builders under the Community Development Block Grant (CDBG) and Indoor Plumbing programs. Limits on per-unit expenditures are too low for rehabilitation and new construction, which discourage contractor participation. Public and private water and wastewater systems are impacted too much by regulations. There is a perception that the region does not receive full program attention because of its physical isolation.

Related Issues Identified through Needs Analysis

- **Low employment and income growth have constrained purchasing power.**

  During the 1990s, the Eastern Shore experienced very low growth in jobs. The unemployment rate fell only because of a decline in the civilian labor force. Limited job gains contributed to a below-average increase in per capita income. While unemployment fell to a relatively low level, a large share of the jobs in the region pay low wages. Partly as a consequence, the area has the highest poverty rate of any market area. This has constrained purchasing power for renters and would-be homebuyers.

  The area has had a larger increase in homeownership than most other rural markets. This may be partly due to its being the only rural region to experience an increase in its share of households with children. Such households have a higher propensity to own homes than do other types of households. Nevertheless, the area's increase in homeownership lagged behind the increase statewide. The area continues to have the lowest homeownership rate of any rural area in part as a result of weak purchasing power.

  There are large disparities between the homeownership rates for non-Hispanic Whites and other racial and ethnic groups, in particular Hispanics. During the 1990s, a positive trend was a narrowing of the disparity between non-Hispanic Whites and Blacks. The Eastern Shore has a larger minority share of population than the state as a whole and the second highest of any market area. The region's minority population is also the most diverse of any rural market, in part because of a significant increase over the past decade in the Hispanic population in Accomack County.

1. There is little or no availability of affordable, safe, decent housing.
(continued)

- **Rental and homeowner markets have tightened despite considerable new housing development.**

The Eastern Shore experienced considerable rental housing development during the 1990s, much of it financed through the Rural Housing Service Section 515 and the HUD Section 202 program. The rate of increase in multifamily units was the largest of any rural area. However, the area continues to have a limited inventory of multifamily units (just six percent of the housing stock and the second lowest of any rural area), despite being the most densely settled of all of the rural markets. There has also been considerable development of new single-family units, with approximately a third being more affordable manufactured homes. Nevertheless, both rental and homeowner vacancies dropped considerably during the 1990s as development failed to keep pace with the increase in households.

- **The area continues to fare less well than other markets in the availability of deep subsidy rental assistance.**

The Eastern Shore has a below average ratio of total deep subsidy units per 1000 renter households (85 percent of the state level). The area's ratio is higher than the ratios in the Northern Valley-Piedmont and the Northern Neck-Middle Peninsula. However, both of those markets have poverty rates well below the average for rural areas, while the Eastern Shore has the highest poverty rate in the State.

When total deep subsidy units per 1000 persons in poverty is used as the measure of subsidy availability, then the relative availability of deep subsidy units is far less on the Eastern Shore than in the Northern Valley-Piedmont, although it is still higher than in the Northern Neck-Middle Peninsula. More significantly, When comparing deep subsidy units to persons in poverty, the area's relative availability of deep subsidy units falls to the third lowest of any housing market area (just 40 percent of the state level).

- **The relative shortfall in deep subsidy units impacts families the most.**

The relative availability of deep rental subsidy assistance is below the statewide level for both elderly and family units. However, the disparity with other markets is greatest for family housing. The Eastern Shore has by far the lowest ratio of assisted family units per 1000 renter households of

1. There is little or no availability of affordable, safe, decent housing. (continued)	any rural market area (30 percent of the state level), and the ratio of deep subsidy family units per 1000 non-elderly renter households is also the lowest of any rural market (just 25 percent of the state level). • **The Eastern Shore is more reliant on tenant-based subsidies than any other rural area.** The region's very low availability of assisted and deep subsidy family units is exacerbated by the its heavy reliance on tenant-based subsidies. Well over half of the deep subsidy units in the area are tenant based. This is the highest tenant-based share of any rural market area. The very limited multifamily housing stock in the region, and the serious housing quality issues raised by forum participants pose considerable challenges to creating adequate rental housing opportunities with tenant-based assistance.
2. There is a shortage of housing to meet special needs.	**Priority Issues Identified by Forum Participants** • **Special needs housing is limited.** Independent living housing is needed for persons with all types of special needs such as the mentally or physically disabled and seniors. Emergency shelter and transitional housing are not available in the area.
3. Consumers are having difficulty obtaining financial assistance.	**Priority Issues Identified by Forum Participants** • **It is difficult to obtain appropriate financing.** Predatory lending and redlining occur in the mortgage insurance and home improvement industries. There is a need for greater interaction by local communities, agencies, and government programs to provide mortgage financing, assistance with closing costs and down payments, and financial counseling.
4. People in need are not always aware of available options for assistance.	**Priority Issues Identified by Forum Participants** • **Consumers are unaware of available options.** Personal financial education is unavailable, including homebuyer education and consumer credit counseling. Residents have very limited knowledge of housing programs at all levels and have difficulty accessing available programs.

Conditions and Trends Impacting Housing Needs, 1990-2000

This section compares key conditions and trends impacting housing needs in the seven rural areas of Virginia. It looks only at those factors for which market-specific data is available and for which trends and conditions differ meaningfully from those that prevail statewide. Therefore, it is more abbreviated than the broader review provided in Part I—Statewide Overview.

Rural Housing Markets

Cumberland Plateau

- **Rural Cities:** Norton
- **Rural Counties:** Buchanan, Dickenson, Lee, Russell, Tazewell, and Wise

Southern Blue Ridge

- **Rural City:** Galax
- **Rural Counties:** Bland, Carroll, Floyd, Franklin, Grayson, Patrick, Smyth, and Wythe

Alleghany Highlands

- **Rural Cities:** Buena Vista, Covington and Lexington
- **Rural Counties:** Alleghany, Bath, Highland, and Rockbridge

Northern Valley-Piedmont

- **Rural Counties:** Culpeper, Louisa, Madison, Orange, Page, and Shenandoah

Southside

- **Rural Cities:** Emporia and Franklin
- **Rural Counties:** Brunswick, Buckingham, Charlotte, Cumberland, Greensville, Halifax, Lunenburg, Mecklenburg, Nottoway, Prince Edward, and Southampton

Northern Neck-Middle Peninsula

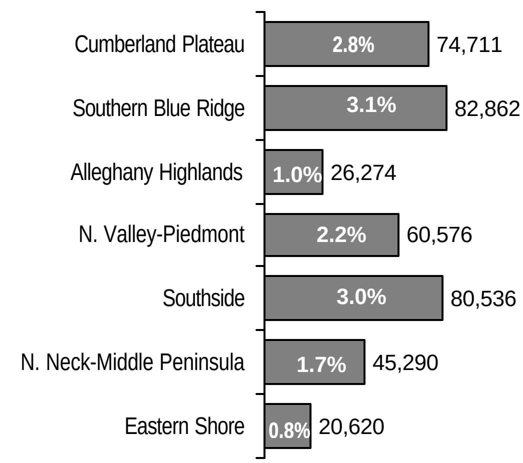
- **Rural Counties:** Caroline, Essex, King and Queen, King George, Lancaster, Middlesex, Northumberland, Richmond, and Westmoreland

Eastern Shore

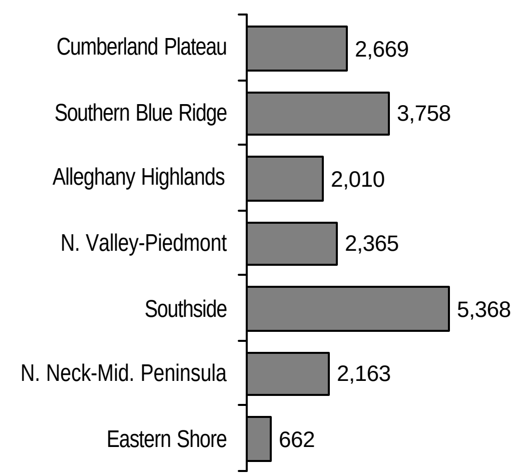
- **Rural Counties:** Accomack and Northampton

Market Area Characteristics: 2000

Households / Share of State

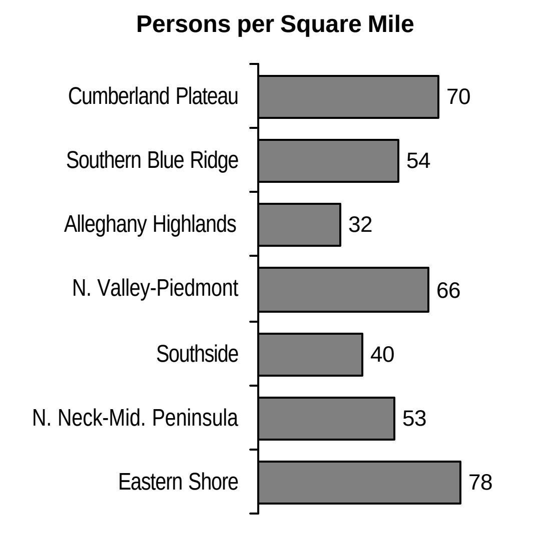


Land Area (square miles)



Source: Table 2A and U.S. Census Bureau

Market Area Characteristics: 2000

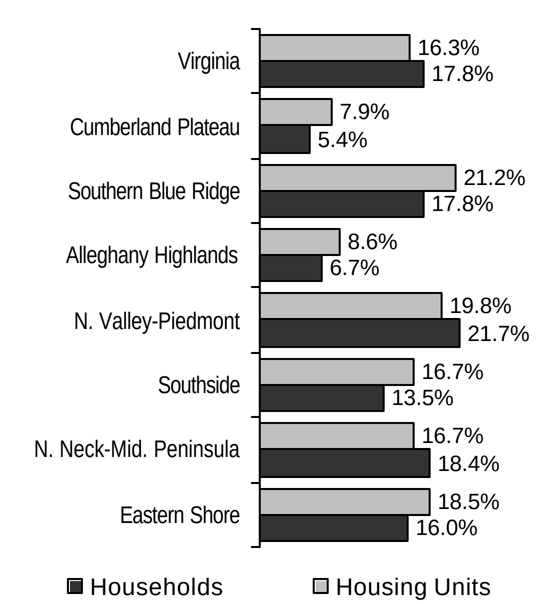


Source: U.S. Census Bureau

Growth in Households and Housing

Household growth differs significantly among the rural markets.

Change in Households and Housing: 1990-2000



Source: Tables 1 and 2A

During the 1990s, there was considerable variation in the rate of rural household growth. In the Northern Valley-Piedmont and Northern Neck-Middle Peninsula—which are being impacted by the rapidly growing urban markets in northern Virginia—increases in households exceeded the statewide rate. Household growth in the Southern Blue Ridge equaled the state level. In the other rural markets, growth lagged behind the statewide rate. On the Eastern Shore and in Southside, the lag in growth was moderate, while the Cumberland Plateau and Alleghany Highlands had rates of household growth that were only about a third the statewide level (Table 2A).[2]

In slower growing rural areas, increases in housing units exceeded the rate of household growth.

In contrast to the statewide pattern, housing unit increases in most rural areas exceeded the rate of household growth. The two exceptions were the fast growing Northern Valley-Piedmont and the Northern Neck-Middle Peninsula (Tables 1 and 2A). However, even in those two markets, the absolute number of new housing units exceeded the increase in households.

In rural areas, second-home production complicates determining the adequacy of housing production.

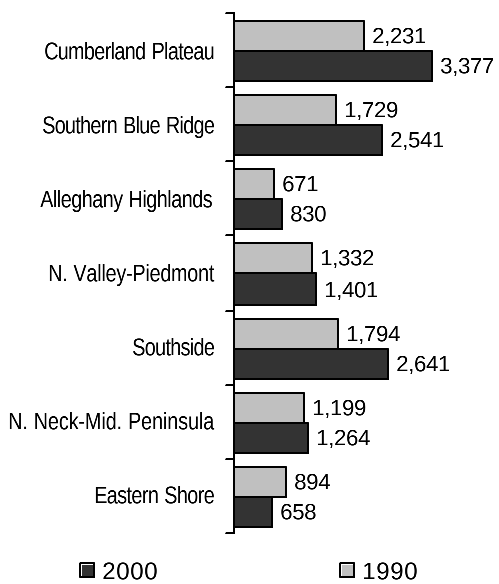
In rural areas, the relationship between year-round housing demand and changes in the overall housing stock are complicated by second-home development. For example, in the Northern Neck-Middle Peninsula, the number of available vacant units increased in spite of a lower rate of housing growth than household growth. Some of the household growth in that market was accommodated

[2] Data tables are at the end of each part of the report.

through conversion of second homes into primary residences by young retirees.

In contrast, the number of available vacant units fell on the Eastern Shore in spite of housing production that exceeded household growth. In that market, there was a significant amount of second home production that did not address the housing needs of year-round residents (Table 2B).

Total Available Vacant Units: 1990 and 2000

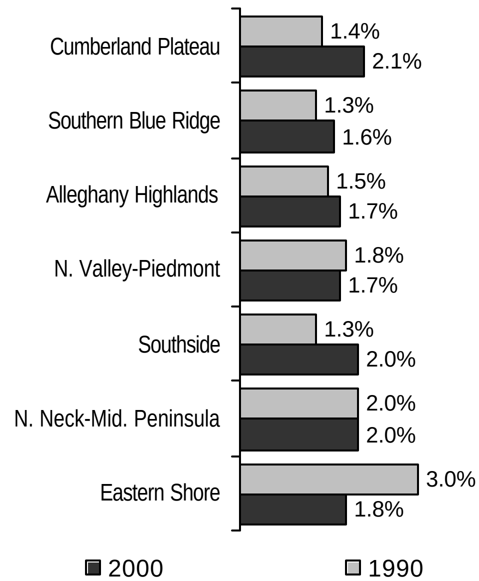


Source: Table 2B

Changes in the availability of homeownership units differed across market areas.

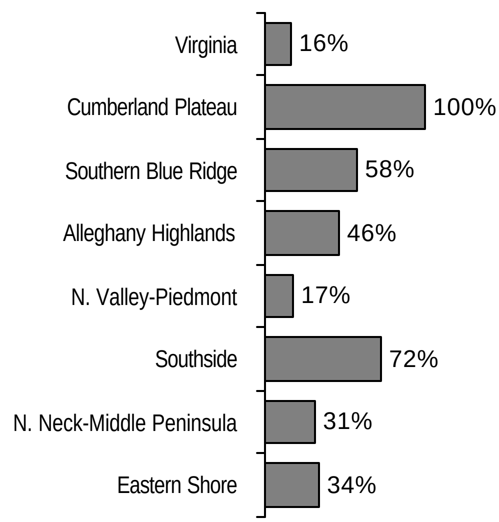
In the Cumberland Plateau, Southern Blue Ridge, Alleghany Highlands, and Southside, homeowner vacancies increased. This was partly due to substantial increases in manufactured homes, which enabled those markets to respond readily to home purchase demand. In those four areas, manufactured homes accounted for 46 percent or more of the net increase in single-family units. The largest increases in homeowner vacancies were in the Cumberland Plateau and Southside, where manufactured homes accounted for 72 percent or more of the net increase in single-family units (Tables 1 and 2B).

Homeowner Vacancy Rate: 1990 and 2000



Source: Table 2B

Manufactured Homes Share of Net Increase in Single-Family Housing Units: 1990-2000



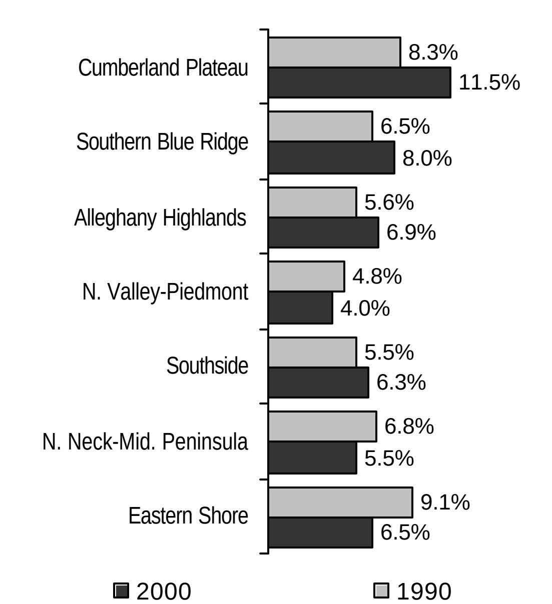
Source: Table 1

In contrast, in the Northern Valley-Piedmont, Northern Neck-Middle Peninsula, and Eastern Shore, homeowner vacancies held steady or fell. In those markets, manufactured homes accounted for a third or less of the net increase in single-family housing.

Changes in rental vacancies followed a similar regional pattern.

The pattern in rental vacancies was similar, except that rental vacancies fell in the Northern Valley-Piedmont and Northern Neck-Middle Peninsula, where homeowner vacancies held steady. The most significant market tightening occurred on the Eastern Shore, where the rental vacancy rate fell 29 percent (Table 2B).

Rental Vacancy Rate: 1990 and 2000

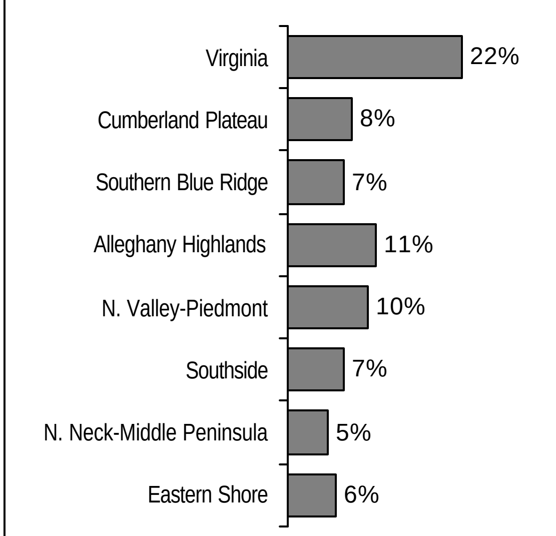


Source: Table 2B

Rural areas have a far smaller share of multifamily units than Virginia as a whole.

All of the rural markets have substantially lower shares of multifamily units than does the state. Generally, there is a relationship between population density and the share of multifamily units. However, the Alleghany Highlands, which has the lowest population density, has the highest share of multifamily units. This is due to a relatively high number of apartment units serving the area's large elderly population (Table 1).

Multifamily Units as a Share of Total Units: 2000

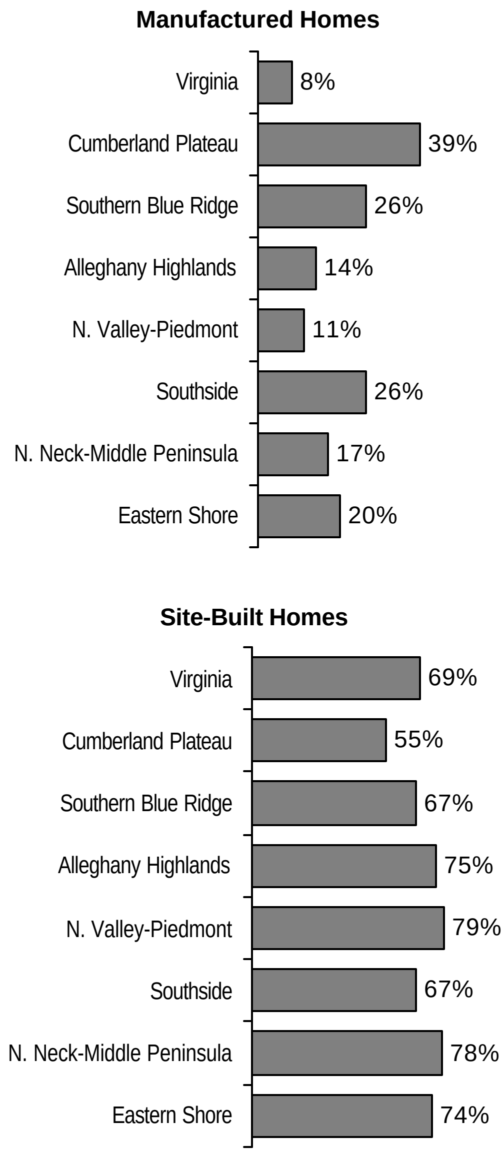


Source: Table 1

Rural areas are also more reliant on manufactured homes.

Conversely, the share of single-family units in rural areas is much higher than for the state. There is also a high reliance on manufactured homes that is not true in urban market areas. The area most dependent on manufactured housing is the Cumberland Plateau, where steep terrain, land ownership patterns, and low incomes all pose significant barriers to the development of site-built homes. Manufactured homes also account for a very large share of single-family units in the Southern Blue Ridge and Southside. These markets have shares of site-built homes below the statewide level.

Single-Family Units as a Share of Total Units: 2000



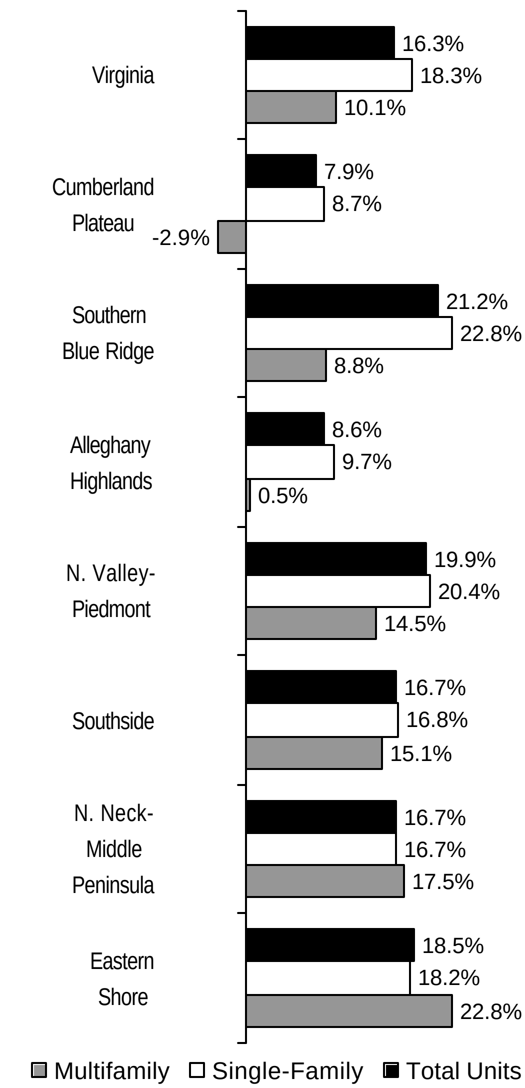
Source: Table 1

There is diversity in the pattern of housing stock change among rural areas.

The growth rates of single-family units in the Northern Valley-Piedmont and Southern Blue Ridge exceeded the statewide rate. In Southside, Northern Neck-Middle Peninsula, and Eastern Shore, the rates of increase in single-family units only slightly lagged the statewide rate. In contrast, the increases in single-family units in the Cumberland Plateau and Alleghany Highlands were only about half the statewide rate (Table 1).

The multifamily pattern was different. Four rural markets—the Northern Valley-Piedmont, Southside, Northern Neck-Middle Peninsula and Eastern Shore—experienced increases in multifamily housing at rates far in above the statewide level. On the Eastern

Estimated Change in Housing Stock by Type of Structure: 1990-2000



Source: Table 1

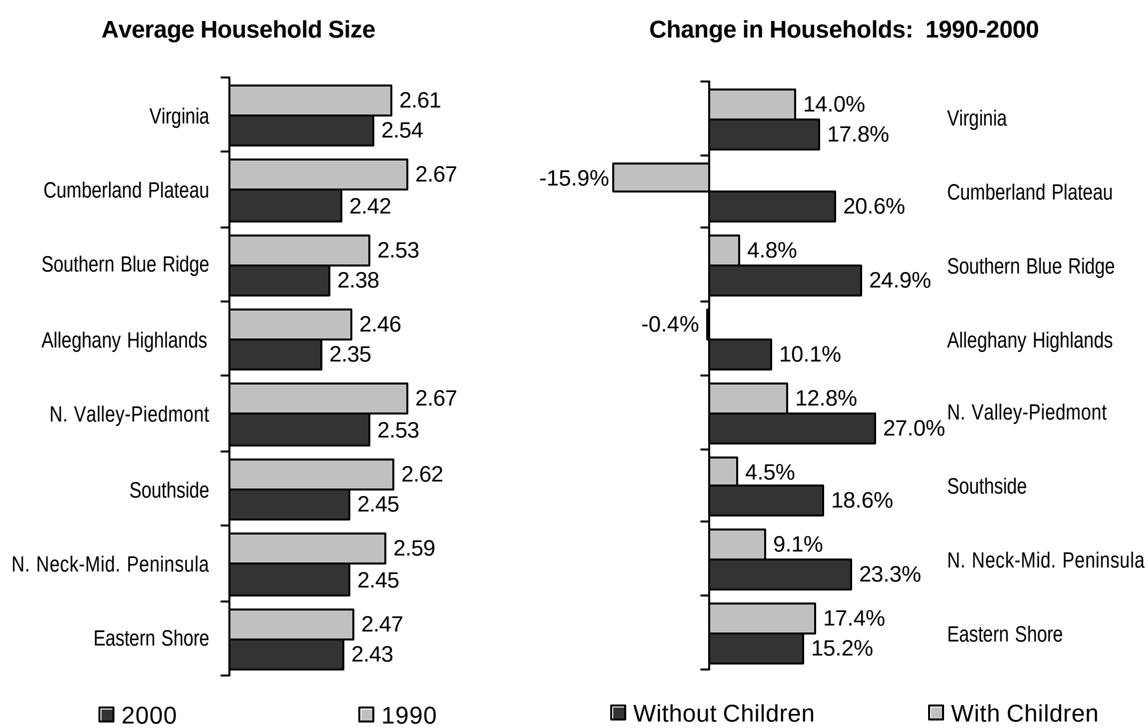
Shore, multifamily units increased at more than twice the statewide rate. Much of the increase in multifamily housing was the result of development financed through the federal Rural Housing Service Section 515 program, a large share of which was housing designed to serve independent elderly persons.

In contrast, the Southern Blue Ridge experienced multifamily growth at a rate somewhat below the statewide level, while the Cumberland Plateau and the Alleghany Highlands had a net decline or virtually no net growth in their multifamily housing stock (Table 1). The Cumberland Plateau had considerable out-migration of households during the 1990s that significantly weakened demand for rental housing. The Alleghany Highlands has the highest share of multifamily units of any rural market area despite virtually no increase in multifamily units during the 1990s.

Changes in the housing stock partly reflected shifts in household composition.

The large increases in multifamily units in many rural markets partly reflected a strong trend toward an increased share of childless households. During the 1990s, rural housing markets, with the sole exception of the Eastern Shore, experienced very large differentials in the growth rate of families with and without children. The differential was far larger than that experienced statewide. Consequently, most rural markets had significant declines in average household size. By 2000, average household size in rural markets was lower than in Virginia's urban market areas.

Changes in Household Size and Composition: 1990-2000



Source: Table 7

The Eastern Shore deviated from this trend with growth in households with children that exceeded the growth in childless households. Several factors could account for this difference. First, in 1990, the Eastern Shore already had a below average share of households with children and a low average household size. Second, during the 1990s, Accomack County had significant immigration of Hispanic households that likely contributed to an increased share of households with children.

Income and Purchasing Power

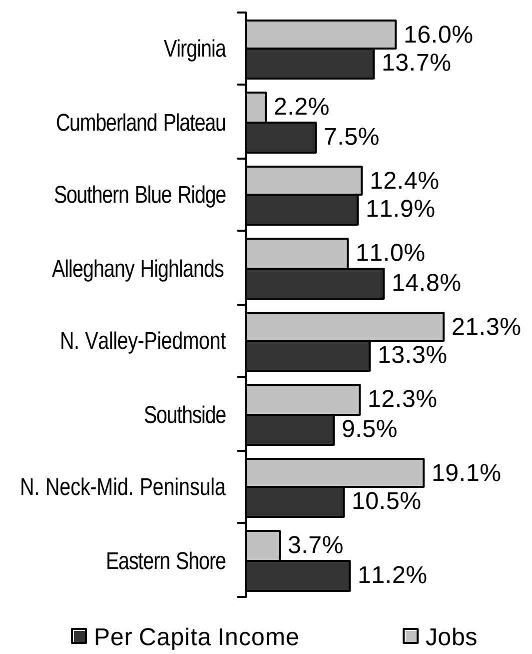
Generally, job growth has mirrored household growth.

Generally, the pattern of job growth in the seven rural areas has mirrored the increase in households. During the 1990s, the Northern Valley-Piedmont and Northern Neck-Middle Peninsula had rates of job growth (21.3 percent and 19.1 percent) in excess of the statewide rate (16.0 percent). The increase in jobs lagged behind the state rate in the other rural markets. The lag was moderate in the Southern Blue Ridge, Alleghany Highlands and Southside, while the Cumberland Plateau and Eastern Shore trailed far behind all other housing markets in jobs growth. On the Eastern shore, the very low increase in jobs contrasted with household growth that only slightly lagged behind the statewide rate (Tables 2A and 4).

Per capita income growth lagged behind the statewide rate in all but one rural area.

Below-average job growth contributed to increases in per capita income areas that lagged behind the statewide rate in most rural areas (Table 4). This occurred in spite of sharp declines in average household size, and was true even in the Northern Valley-Piedmont and Northern Neck-Middle Peninsula where job growth exceeded the statewide rate. The lone exception was the Alleghany Highlands where the rise in per capita income exceeded the statewide increase.

Growth in Jobs and Real Per Capita Income: 1990-1999

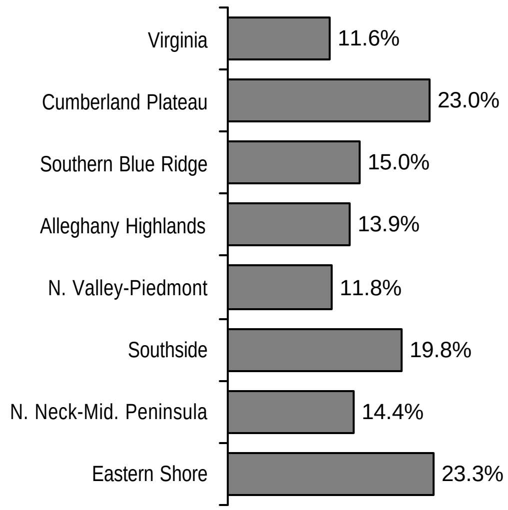


Source: Table 4

All rural markets have poverty rates that exceed the statewide rate.

All rural markets experience poverty rates above the statewide level (Table 5). Poverty is a major factor in the Cumberland Plateau, Southside and Eastern Shore, where poverty rates are double or nearly double the statewide level. In these markets, chronic, long-term poverty is a critical barrier to improved housing conditions.

Poverty Rate: 1997



Source: Table 5

Housing Affordability

While data is still limited, housing affordability appears to have increased for most rural households.

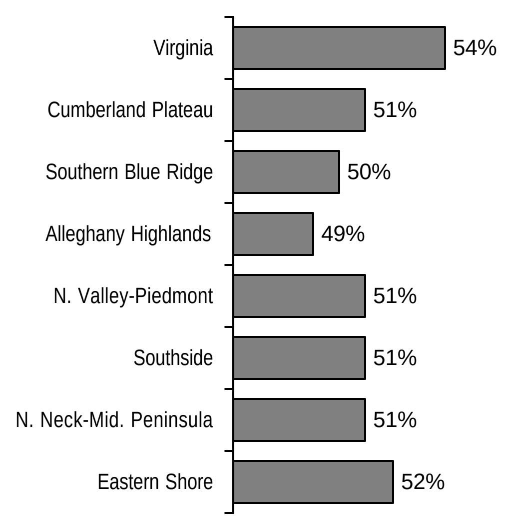
Data on housing costs and affordability in rural areas are limited. In particular, reliable and consistent data on changes in home prices is not available for rural areas as it is for metropolitan markets. Nonetheless, available information suggests that housing affordability has improved for the average rural household.

Since 1990, adequate housing availability to meet household demand, low-inflation, and low interest rates, have all contributed to greater housing affordability. Inflation-adjusted rents have been either stable or falling. The "Fair Market Rents" (FMRs) as determined by HUD for the period 1997-2001 show small declines in inflation-adjusted rental costs in rural areas (Table 9A). This is in contrast to small increases in real rental costs in the large metropolitan areas during the same period.

The housing affordability standard established by the federal government is payment of no more than 30 percent of gross income for rent and utilities. Using this standard, a lower share of median income is needed to afford a standard apartment in rural markets than in the state as a whole.

Rental affordability is highest for all unit sizes in the Alleghany Highlands, which is the only rural market to have experienced above-average growth in per capita income during the 1990s. Affordability is lowest for one-bedroom units on the Eastern Shore, which has the highest poverty rate of any market area and where rental vacancies have shown the most significant decline. Affordability is lowest for two-bedroom and thee-bedroom units in the Northern Valley-Piedmont and the Northern Neck-Middle Peninsula, which also experienced a decline in rental vacancies.

Minimum Income Needed to Afford a Standard One-Bedroom Rental Unit as a Share of Area Median Income: 2001

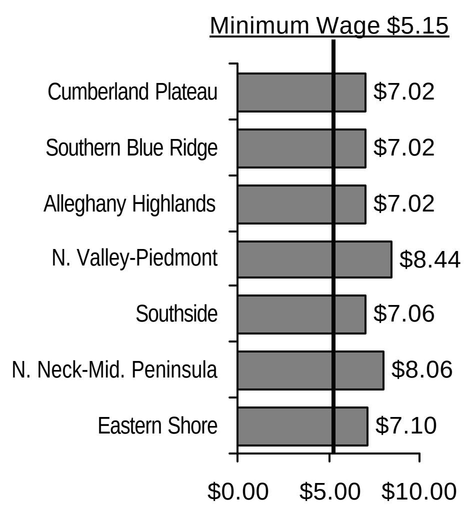


Source: Table 9A

Despite overall increases in affordability, most low-income rural households still cannot afford adequate housing.

The minimum income required for a household living in rural areas to afford adequate rental housing at prevailing market rents ranges from 49 to 52 percent of median income for a one-bedroom unit, from 44 to 48 percent of median income for a two-bedroom unit, and from 50 to 55 percent of median income for a three-bedroom unit (Table 9A).[3]

Full-Time Hourly Wage Needed to Afford a One-Bedroom Rental Unit: 2001



Source: Table 9A

The gap between the cost of adequate housing and the resources of the lowest income populations is large.

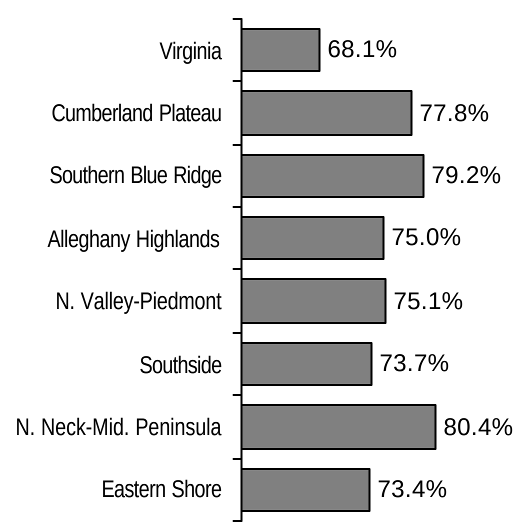
The lowest income populations—homeless people, people with disabilities, seniors depending primarily or exclusively on Social Security income, and minimum wage workers—all experience a large gap between their limited incomes and the cost of adequate rental housing. Rent and utilities for a one-bedroom apartment in rural areas range from 72 percent of income to 86 percent of income for a disabled person living on Supplemental Security Income (SSI). The Full-time hourly wage needed to afford a one-bedroom unit at prevailing market rents ranges from $7.02 in the western portions of the state where rents are lowest, to $8.44 in the Northern Valley-Piedmont. These earning levels are well above the current minimum wage of $5.15 (Table 9B).

Homeownership

The rise in homeownership was lower in rural areas than in metropolitan markets.

Homeownership in rural areas is high. However, with the exception of the Alleghany Highlands, rural areas have experienced increases in homeownership below the state-

Homeownership Rate: 2000



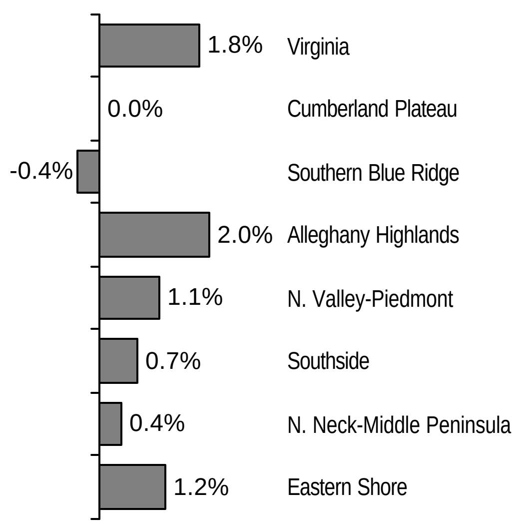
Source: Table 3A

[3] Estimates are based on current HUD "Fair Market Rents" and HUD estimates of median family income with adjustments for family size. The following household sizes were used to estimate the percent of area median income for units of various bedroom sizes: one-person household for a one-bedroom unit; three-person household for a two-bedroom unit; and a five-person household for a three-bedroom unit.

wide average (Table 3A). This can be attributed to a number of factors including:

- High homeownership rates (there is less room for rates to increase)
- below average increases in income (only the Alleghany Highlands had above-average income growth)
- a decline in the share of households with children (they are the most likely to choose homeownership)
- declining minority homeownership

Percentage Point Change in Homeownership Rate: 1990-2000

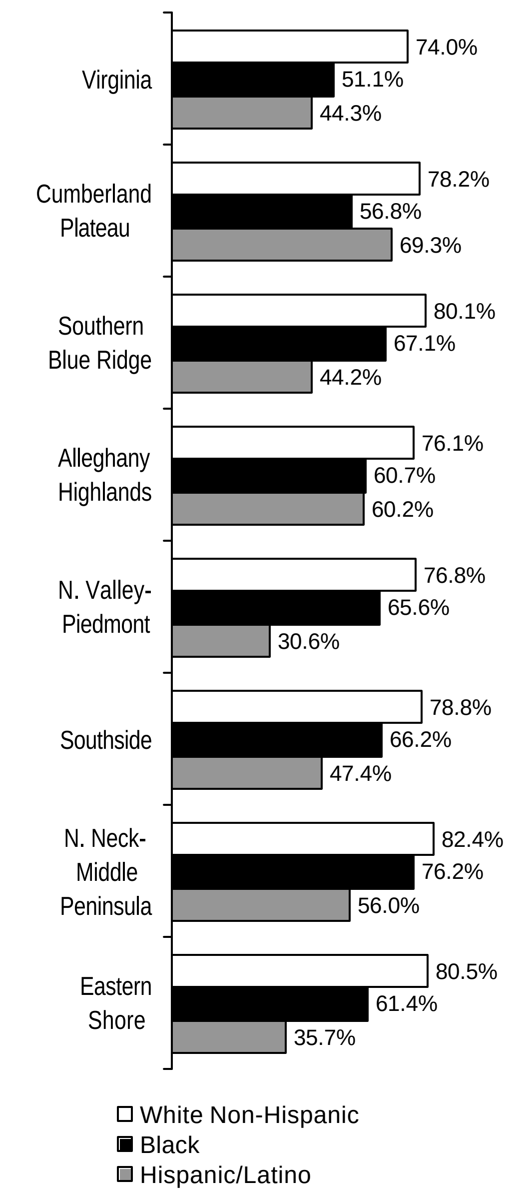


Source: Table 3A

Homeownership rates declined for all minority groups, but especially for Hispanics.

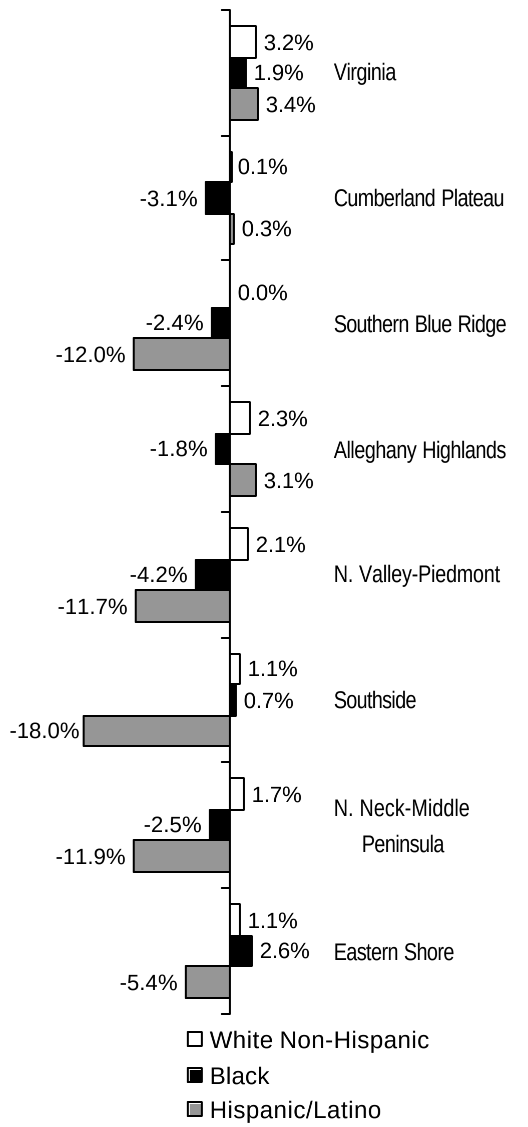
Homeownership rates held steady or increased for non-Hispanic Whites in each of the rural markets, but declined for all minority groups. Consequently, the disparities in the homeownership rates for non-Hispanic Whites and minorities—though considerably smaller than in urban markets—have increased. This trend is particularly evident for Hispanics, who have experienced considerable declines in their rate of homeownership in most rural areas. Positive trends are the increase in homeownership for Hispanics in the Alleghany Highlands and for Blacks on the Eastern Shore (Table 3D).

Homeownership Rate by Race and Ethnicity: 2000



Source: Table 3D

Percentage Point Change in Homeownership Rate by Race and Ethnicity: 1990-2000



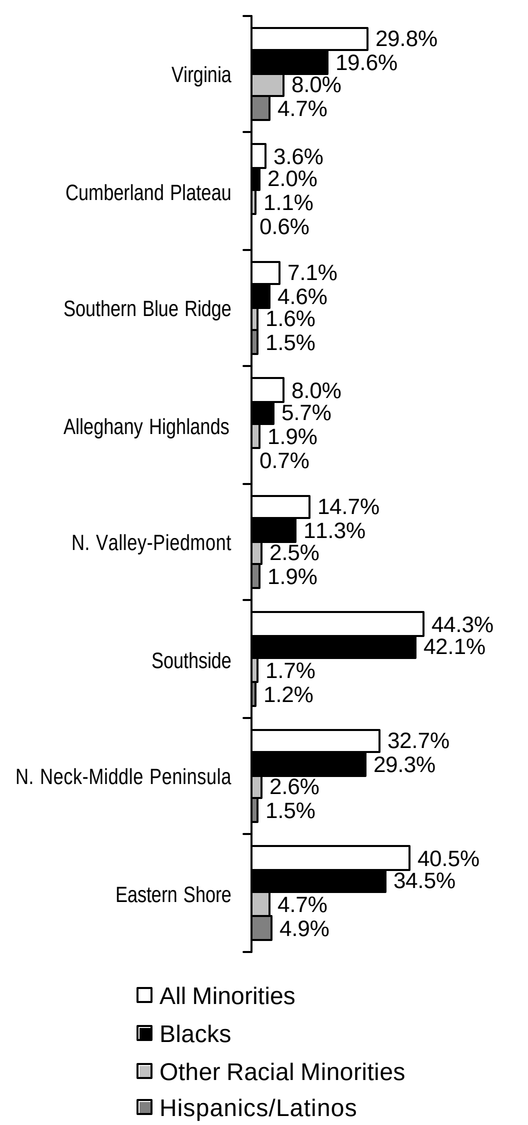
Source: Table 3D

Note: Separate data for Asians for 1990 is not readily available. The comparisons shown in this chart provide only an approximate picture of actual changes. Data for 1990 and 2000 are not fully comparable due to separate counting for people of mixed race in 2000.

Rural areas tend to have either very large or relatively small minority populations.

Three rural areas—the Eastern Shore, Northern Neck-Middle Peninsula, and Southside—have very large minority populations, while the other four rural markets have a minority share of population that is less than half the statewide level. The minority populations in all of the rural areas are far less diverse than in urban markets. In most markets, Blacks are the only minority group to comprise a significant share of the total population. An exception is the Eastern Shore, where Hispanics and other minorities

Racial Minorities as a Share of Population: 2000



Source: Table 8

Note: Other races include persons of mixed race.

together comprise over nine percent of the population (Table 8).

Federal and State Project-Based Rental Assistance

Lower interest rates and subsidy funds spurred the construction and rehabilitation of low-income rental units.

During the 1990s, assistance provided through the federal Low-Income Housing Tax Credit and Rural Housing Service (RHS) Section 515 programs stimulated considerable rental housing investment in rural areas. Over 2,500 low-income rental units were built or rehabilitated using Low-Income Housing Tax Credits. A substantial number of additional low-income units received direct assistance through the RHS Section 515 program, VHDA's Virginia Housing Fund, the state's Virginia Housing Partnership Fund, allocation by DHCD of federal HOME funds, the HUD Section 202 program, and various other federal and state programs.

Total units receiving federal and state assistance did not reflect the real net increase in affordable rental housing.

A share of the rural multifamily housing receiving federal and state assistance were existing low-rent developments that were recapitalized in order to retain them as part of the affordable housing inventory. Most had previously been financed through the RHS Section 515 program. Additional financing and subsidies were provided in order to prevent owner prepayments and to fund rehabilitation. While the assistance to these developments made a significant contribution toward preserving the quality and affordability of the low-income rental housing stock, it did not increase the overall supply of affordable units.

Few units were removed from the inventory of low-income rental housing.

As a result of RHS preservation funding, relatively few affordable units were removed from the inventory of assisted rental housing (Table 11). This contrasts to the large urban markets where losses to the assisted rental stock have been substantial. The units lost in rural areas were the result of prepayments and opt-outs of several developments assisted through HUD subsidy programs. There have been no assisted units lost through the disposition of troubled properties or the demolition of older deteriorated and obsolete housing. Nevertheless, while losses to the affordable housing stock had a minimal overall impact on rural housing markets, the loss of a single large rental development can have a major impact on the rural community in which it is located.

There was a large net increase in the stock of low-income rental housing.

In net, during the 1990s the inventory of federal and state assisted low-income family and elderly rental housing in rural areas grew by over 2,600 units (34 percent) from just over 7,700 units in 1990 to nearly 10,300 units in 2000. This trend is continuing with over 1,200 net additional assisted units either already on-line, under development, or with federal and state assistance approvals so far this decade (Tables 10A and 10B).[4]

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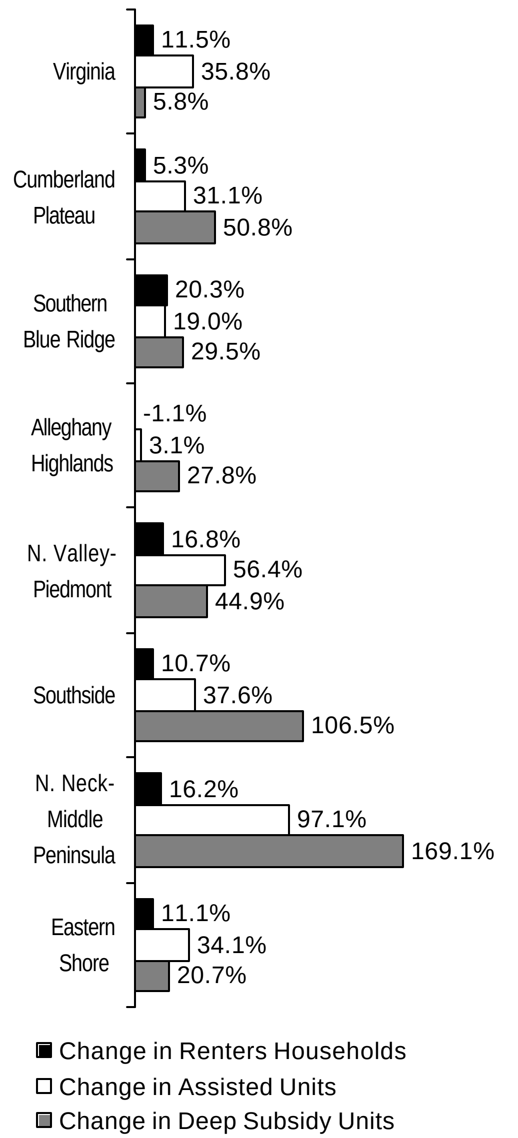
[3] This inventory includes family and independent living elderly developments receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing receiving federal HOME and CDBG funds through local governments.

Change in Renter Households and Federal and State Assisted Rental Units: 1990-2000



Source: Tables 3A, 10A, 10B and 10C

The net increase in total assisted units far exceeded growth in renter households.

In virtually all rural markets, the increase in total assisted units greatly exceeded the rate of growth in renter households. The lone exception was the Southern Blue Ridge where in the growth in assisted units slightly trailed the increase in renters. The rate of growth in assisted units was approximately three times the rate of increase in renter households in the Alleghany Highlands, Northern Valley-Piedmont, Southside and the Eastern Shore, as it was in Virginia as a whole. In the Cumberland Plateau and Northern Neck-Middle Peninsula, the increase in assisted units was six times higher than the rate of increase in renters (Tables 3A, 10A, 10B and 10C).

The net increase in deep subsidy units also greatly exceeded renter household growth.

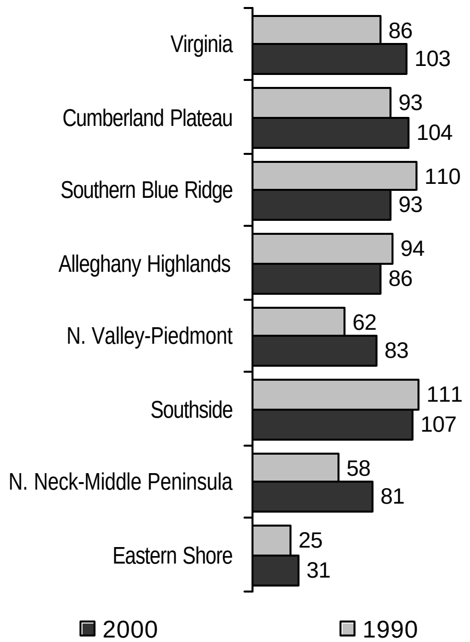
There was a very large increase in RHS Section 515 units with rental assistance contracts. In many cases, existing Section 515 units received rental assistance for the first time as a result of project preservation financing. Consequently, all rural areas had an increase in units with deep rental subsidies[5] that greatly exceeded the rate of increase in rental households. With the exception of the Northern Valley-Piedmont and the Eastern Shore, the rate of increase in deep subsidy units far outstripped the increase in total assisted units (Tables 3A, 10A and 10B).

During the 1990s, new allocations of housing assistance helped to reduce rural disparities in total assisted units.

A comparison of ratios of total assisted units per 1000 renter households and deep subsidy units per 1000 renter households in 1990 and 2000, shows a reduction in the disparity among rural areas. This was true for both assisted family units and units designed for occupancy by the elderly.

[5] The federal government provides deep rental/ operating subsidies for family and elderly housing through the following programs: Public Housing; project-based and tenant-based Section 8; Section 202 PRAC; rural Rental Assistance (RA); Rental Assistance Payments (RAP); and Rent Supplements.

Ratio of Federal and State Assisted Rental Family Units per 1000 Non-Elderly Renter Households

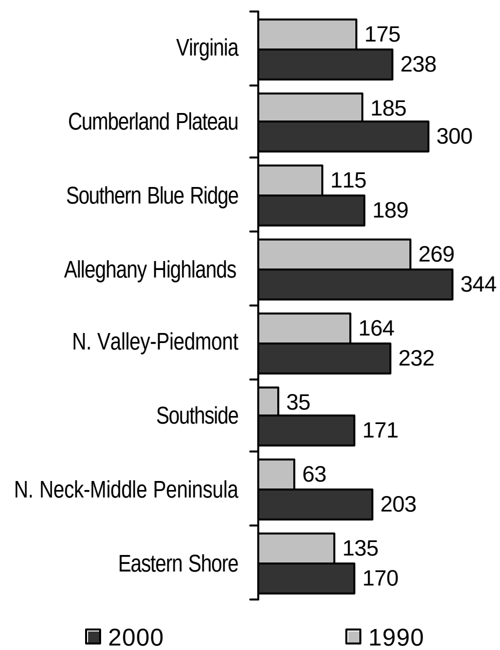


Source: Table 10A

For family housing, there was a general leveling of the ratios of assisted units per 1000 non-elderly renter households toward the state norm. Two lagging rural areas—the Northern Valley-Piedmont and the Northern Neck-Middle Peninsula—both had above average increases in their ratios. In contrast, the Southern Blue Ridge, Alleghany Highlands and Southside, which had 1990 ratios above the state average, each experienced growth in assisted family units that was less than renter household growth. Consequently, their ratios fell. One exception to this pattern is the Eastern Shore which continues to lag well behind other rural markets and the state in the availability of assisted family units (Table 10A).

For elderly housing, there was a similar leveling of the ratios of assisted units per 1000 elderly renter households. However, all rural areas had increases in their ratios. In 1990, the regional disparities for elderly housing had been relatively larger than for family housing. However, lagging regions experienced especially large gains in elderly units. The Eastern Shore had a below-average gain in elderly units. As a result, it moved from a rank of fourth to last among the seven rural areas in the ratio of assisted elderly units per 1000 renter households (Table 10B).

Ratio of Federal and State Assisted Rental Elderly Units per 1000 Elderly Renter Households



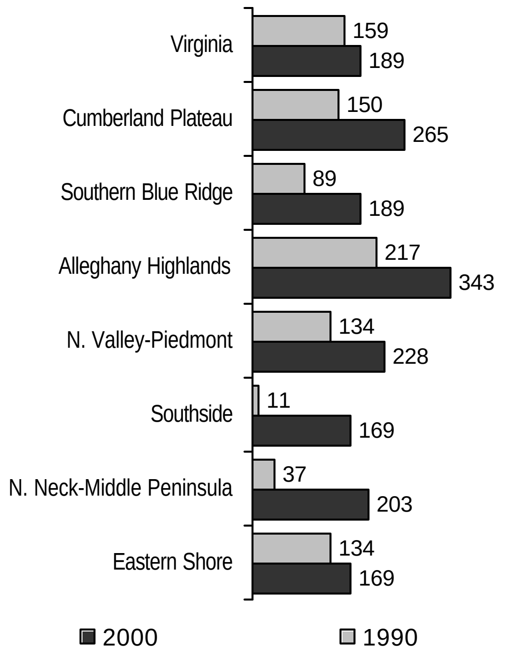
Source: Table 10B

Note: Includes households aged 65 and older and rental units intended for elderly occupancy. Low-Income Tax Credit elderly projects allow occupancy by persons as young as age 55, and deep subsidy projects allow occupancy by persons as young as age 62.

There has been a leveling of rural disparities in deep subsidy elderly units but not in deep subsidy family units.

The change in deep subsidy elderly units mirrors the change in total assisted elderly units, with a considerable leveling of the regional disparities that existed in 1990.

Ratio of Federal Deep Subsidy Elderly Units per 1000 Elderly Renter Households



Source: Table 10B

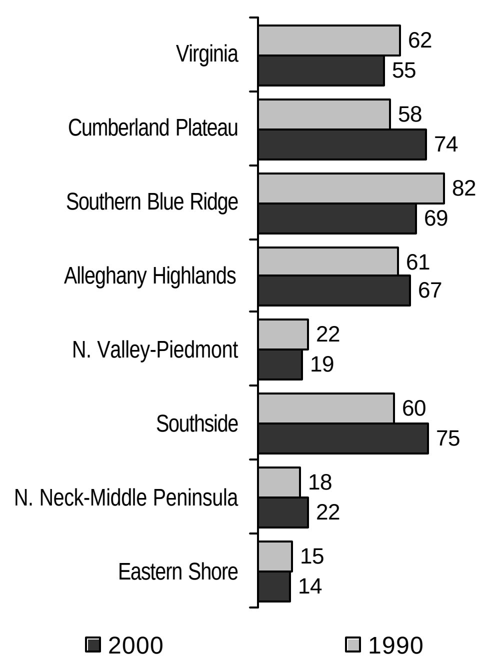
Note: Includes households aged 65 and older and rental units intended for elderly occupancy. Deep subsidy elderly projects allow occupancy by persons as young as age 62.

In contrast, there has not been any leveling of the wide regional disparities in deep subsidy family housing. The seven rural markets fall into two distinct groups. The first group is made up of four market areas—the Cumberland Plateau, Southern Blue Ridge, Alleghany Highlands and Southside—which have ratios of deep subsidy family units per 1000 non-elderly renter households that exceed the statewide ratio. The other three rural regions—the Northern Valley-Piedmont, the Northern Neck-Middle Peninsula, and the Eastern Shore—share similar ratios that fall well below the statewide level. Furthermore, the wide disparity between these two groups of rural areas has shown little change over the past decade (Table 10A). In these markets, there was considerable development of deep subsidy elderly housing through the RHS Section 515 program and the HUD Section 202 program, but very little development of deep subsidy family units.

Deep subsidy units disproportionately serve elderly renters.

All rural markets have ratios of deep subsidy elderly units per 1000 elderly renter households that are considerably higher than their ratios of deep subsidy family units per 1000 non-elderly renter households. The differential is lowest in Southside, where the ratio of deep subsidy elderly units per 1000 elderly renter households is 2.3 times the ratio of deep subsidy family units per 1000 family renter households. The differential is greatest in the Northern Valley-Piedmont and on the Eastern Shore, where the ratio of deep subsidy elderly units per 1000 elderly renter households is twelve times the ratio of deep subsidy family units per 1000 non-elderly renter households.

Ratio of Federal Deep Subsidy Family Units per 1000 Non-Elderly Renter Households



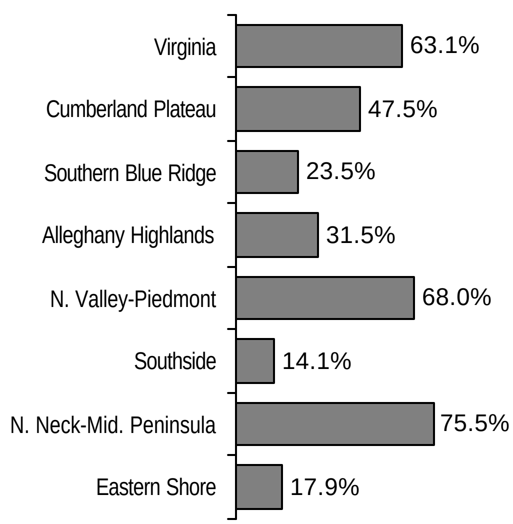
Source: Table 10A

Federal Tenant-Based Deep Rental Subsidies

Tenant-based rental subsidies increased more slowly than project-based deep subsidy units.

Deep federal tenant-based rental subsidies[6] increased by nearly 1,300 units (40 percent) between 1990 and 2000. This gain was substantial, and higher than the increases experienced in the small metropolitan and non-metropolitan urban markets. Nonetheless, in contrast to the urban markets and to the state as a whole, the gain in tenant-based deep subsidy units was smaller than the increase in project-based deep subsidy units. This reflected both the significant development of project-based deep subsidy units through the RHS Section 515 program and the relatively few project-based subsidies converted to tenant-based assistance as a result of loan prepayments and owner opt-outs of subsidy contracts (Table 10C).

Change in Federal Tenant-Based Deep Rental Subsidy Units: 1990-2000

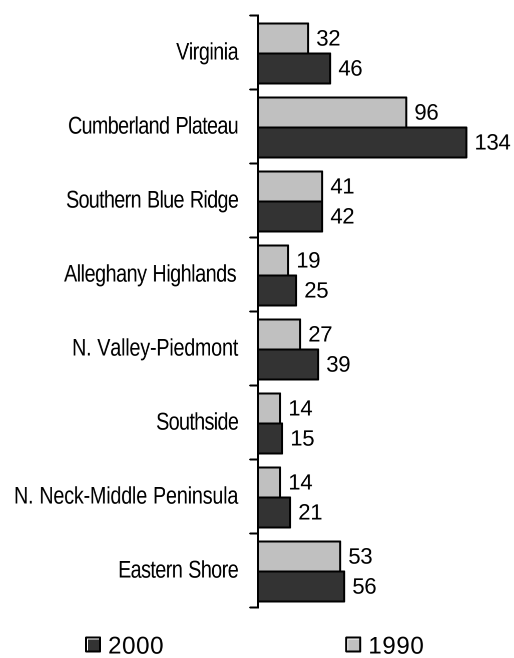


Source: Table 10C

There has been little reduction in the disparities among rural markets in tenant-based deep subsidies.

There continue to be wide disparities among rural areas in the ratio of tenant-based deep subsidy units per 1000 renter households. The ratio is especially large in the Cumberland Plateau where the poverty rate is extremely high and where numerous local governments and public housing agencies have aggressively sought subsidy funds. The ratios continue to be very low in

Ratio of Federal Tenant-Based Deep Rental Subsidy Units per 1000 Renter Households



Source: Table 10C

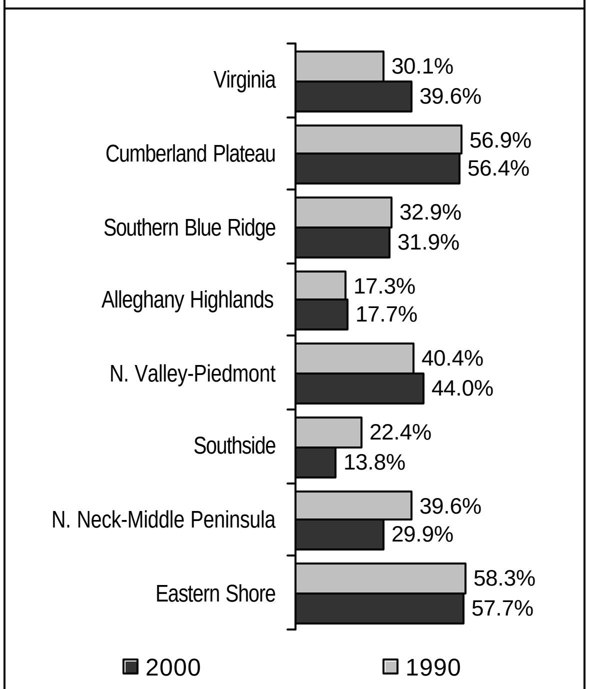
[6] Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2) separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.

the Alleghany Highlands, Southside and the Northern Neck-Middle Peninsula, where many local governments have either chosen not to participate in the Housing Choice Voucher program or became involved in subsidy administration well after the initiation of the program in the mid 1970s.

In most rural areas, there has been a decline in the tenant-based share of total deep subsidy rental units.

One consequence of the substantial increase in project-based deep subsidy units in rural areas has been a decline in the tenant-based share of total deep subsidy units. As a result, rural areas as a whole are now less reliant on tenant-based subsidies than are urban market areas. The one exception is the Northern Valley-Piedmont, which had a significant increase in the share of tenant-based units. In addition, despite small declines in the tenant-based share of total deep subsidy units, the Cumberland Plateau and Eastern Shore remain far more dependent on tenant-based subsidies than the state as whole (Table 10C).

Tenant-Based Units as a Share of Total Deep Subsidy Rental Units



Source: Table 10C

Increases in tenant-based subsidies have not reduced lengthy waiting lists for assistance.

In rural areas, there are lengthy waiting lists for rent subsidy assistance through the federal Housing Choice Voucher program. In recent years, increased appropriations for Housing Choice Vouchers have not reduced waiting lists for assistance. This reflects a number of factors including:

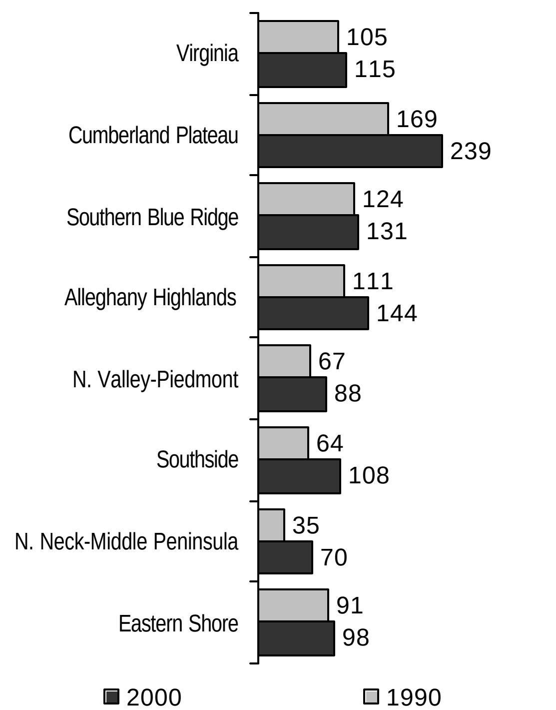
- growing need for deep subsidy assistance among the lowest income populations
- reduced landlord willingness to participate in the Housing Choice Voucher program in areas such as the Northern Valley-Piedmont that have experienced tightening rental markets
- significant numbers of rental units in some rural markets that fail to meet HUD's housing quality standards for program participation

Total Federal Deep Rental Subsidies

The lowest income households need deep housing subsidies.

The income of most people who depend on limited fixed benefits is so low that they cannot afford adequate housing without deep housing subsidies. The same is true for minimum wage workers for whom the gap between income and market rents is extremely large. These are the households that have not fully benefited from the considerable development of new assisted rental units through the federal Low-Income Housing Tax Credit program. Typically, their income is below 30 percent of area median—what HUD refers to as "extremely low" income. The overall availability of deep rental subsidies is the best measure of the degree to which the needs of these households are being met.

Ratio of Total Federal Deep Rental Subsidy Units per 1000 Renter Households



Source: Table 10C

All seven rural markets had significant net gains in total deep subsidy rental units.

In all rural markets, the combined increase in project-based and tenant-based deep subsidy rental units substantially exceeded the increase in rental households. As a result, the ratio of total deep subsidy units per 1000 renter households increased significantly in all rural areas.

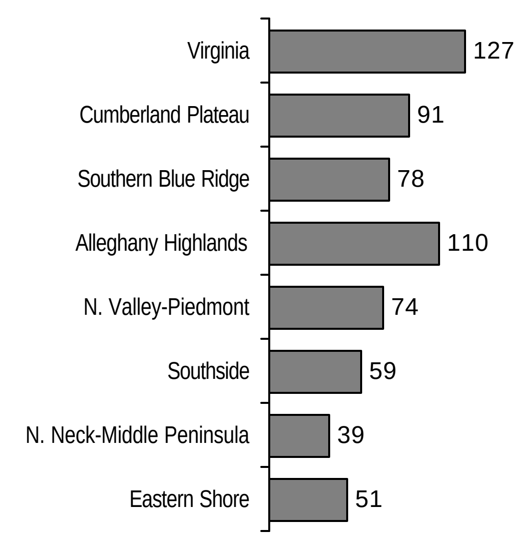
Disparities have narrowed but still exist.

In most cases, the increase in the ratio of total deep subsidy units per 1000 renter households exceeded the statewide gain. Increases were large in the Northern Neck-Middle Peninsula, Southside, and Northern Valley-Piedmont, which historically have lagged well behind other rural regions and the state in the availability of deep subsidy assistance. Consequently, inter-market disparities narrowed during the 1990s, although the same overall pattern of disparities still exists (Table 10C).

If persons in poverty are the measure, then disparities with the state increase.

When a comparison is made of ratios of total deep subsidy units in 2000 to the number of persons in poverty[7] in 1997 (most recent data available), a different picture emerges. While the overall pattern of dispar-

Ratio of Total Federal Deep Subsidy Units in 2000 per 1000 Persons in Poverty in 1997



Source: Tables 5 and 10C

[7] Poverty is measured in absolute dollar terms and does not reflect differences in cost of living in different geographic areas.

ities among rural areas does not shift significantly, there is a wide disparity between all rural areas and the state. This is due to overall lower incomes in rural areas and the very high poverty rates found in several rural markets

There are also wide differentials in housing costs relative to income among rural and urban market areas.

There is a larger absolute gap between housing costs and the resources of lower income people in urban areas—especially the three large metropolitan housing markets—than in the rural areas where poverty rates are far higher. In large urban markets, there is a much broader band of incomes requiring deep subsidy assistance in order to afford adequate housing.

More data is needed in order to measure absolute levels of unmet housing need.

Available data illustrate the significant changes that have occurred in the relative level of subsidy assistance among regions but cannot answer the question of how large unmet housing needs are in one area compared to another. Measurement of absolute levels of unmet needs must await the release of more detailed data from the 2000 Census on household income and the share of income expended for housing.

Data Tables

Housing Stock

Estimated Distribution of Housing Units by Type

Table 1		Single Family Site-Built		Single Family Manufact.		Multifamily/Other		Total
		Number	Share	Number	Share	Number	Share	Units
Cumberland Plateau	1990	47,900	61%	24,600	32%	5,400	7%	77,800
	2000	46,300	55%	32,500	39%	5,200	6%	84,000
	Change	-1,500		7,800		-200		6,100
	1990-2000	-3.2%		31.9%		-2.9%		7.9%
Southern Blue Ridge	1990	58,200	72%	16,000	20%	6,100	8%	80,300
	2000	65,200	67%	25,500	26%	6,600	7%	97,300
	Change	7,000		9,500		500		17,000
	1990-2000	12.0%		59.0%		8.8%		21.2%
Alleghany Highlands	1990	21,600	77%	3,200	11%	3,300	12%	28,000
	2000	22,900	75%	4,300	14%	3,300	11%	30,400
	Change	1,300		1,100		0		2,400
	1990-2000	6.0%		35.2%		0.5%		8.6%
Northern Valley-Piedmont	1990	45,400	79%	5,900	10%	5,900	10%	57,200
	2000	54,100	79%	7,700	11%	6,800	10%	68,600
	Change	8,700		1,800		900		11,300
	1990-2000	19.2%		29.9%		14.5%		19.8%
Southside	1990	60,200	74%	15,200	19%	5,800	7%	81,100
	2000	63,700	67%	24,300	26%	6,600	7%	94,600
	Change	3,500		9,100		900		13,500
	1990-2000	5.9%		60.0%		15.1%		16.7%
Northern Neck-Middle Peninsula	1990	39,500	80%	7,300	15%	2,400	5%	49,100
	2000	44,900	78%	9,700	17%	2,800	5%	57,400
	Change	5,400		2,400		400		8,200
	1990-2000	13.6%		33.3%		17.5%		16.7%
Eastern Shore	1990	16,900	77%	3,900	18%	1,300	6%	22,000
	2000	19,300	74%	5,200	20%	1,500	6%	26,100
	Change	2,500		1,300		300		4,100
	1990-2000	14.6%		33.8%		22.8%		18.5%
All Rural Market Areas	1990	289,600	73%	76,100	19%	30,100	8%	395,700
	2000	316,500	69%	109,100	24%	32,900	7%	458,400
	Change	26,800		33,000		2,800		62,700
	1990-2000	9.3%		43.4%		9.4%		15.8%

Source: U.S. Census Bureau (total units); DMV (manufactured units); Weldon Cooper Center and local agencies (construction and demolition activitiy)

All change and share figures were calculated from unrounded estimates. Therefore, apparent errors appear due to rounding of numbers to the nearest 100.

Housing Occupancy

Household and Group Quarters Population

Table 2A		Total Population	Household Population	Group Quarters Population: Persons	Group Quarters Population: Share	Households
Cumberland Plateau	1990	191,896	189,543	2,353	1.2%	70,909
	2000	185,895	180,849	5,046	2.7%	74,711
	Change 1990-2000	-6,001 -3.1%	-8,694 -4.6%	2,693 114.4%	1.5%	3,802 5.4%
Southern Blue Ridge	1990	182,919	178,091	4,828	2.6%	70,337
	2000	202,117	196,843	5,274	2.6%	82,862
	Change 1990-2000	19,198 10.5%	18,752 10.5%	446 9.2%	0.0%	12,525 17.8%
Alleghany Highlands	1990	63,995	60,697	3,298	5.2%	24,624
	2000	65,126	61,662	3,464	5.3%	26,274
	Change 1990-2000	1,131 1.8%	965 1.6%	166 5.0%	0.1%	1,650 6.7%
Northern Valley-Piedmont	1990	134,812	132,846	1,966	1.5%	49,765
	2000	156,542	153,163	3,379	2.2%	60,576
	Change 1990-2000	21,730 16.1%	20,317 15.3%	1,413 71.9%	0.7%	10,811 21.7%
Southside	1990	196,949	186,123	10,826	5.5%	70,968
	2000	216,910	197,278	19,632	9.1%	80,536
	Change 1990-2000	19,961 10.1%	11,155 6.0%	8,806 81.3%	3.6%	9,568 13.5%
Northern Neck-Middle Peninsula	1990	100,548	98,960	1,588	1.6%	38,252
	2000	114,828	111,186	3,642	3.2%	45,290
	Change 1990-2000	14,280 14.2%	12,226 12.4%	2,054 129.3%	1.6%	7,038 18.4%
Eastern Shore	1990	44,764	43,900	864	1.9%	17,782
	2000	51,398	50,167	1,231	2.4%	20,620
	Change 1990-2000	6,634 14.8%	6,267 14.3%	367 42.5%	0.5%	2,838 16.0%
All Rural Market Areas	1990	915,883	890,160	25,723	2.8%	342,637
	2000	992,816	951,148	41,668	4.2%	390,869
	Change 1990-2000	76,933 8.4%	60,988 6.9%	15,945 62.0%	1.4%	48,232 14.1%

Source: U.S. Census Bureau

Housing Occupancy

Housing Vacancies

Table 2B		Total Vacancies	Available Vacant Units				Vacant Units Not Available		
			For Sale / Vac. Rate		For Rent / Vac. Rate		Sold/Rented	Seasonal	Other
Cumberland Plateau	**1990**	6,919	806	**1.4%**	1,425	**8.3%**	827	399	3,462
	2000	9,265	1,232	**2.1%**	2,145	**11.5%**	784	706	4,398
	Change 1990-2000	2,346 33.9%	426 52.9%	**0.6%**	720 50.5%	**3.2%**	-43 -5.2%	307 76.9%	936 27.0%
Southern Blue Ridge	**1990**	9,997	733	**1.3%**	996	**6.5%**	748	4,590	2,930
	2000	14,477	1,040	**1.6%**	1,501	**8.0%**	962	7,279	3,695
	Change 1990-2000	4,480 44.8%	307 41.9%	**0.3%**	505 50.7%	**1.5%**	214 28.6%	2,689 58.6%	765 26.1%
Alleghany Highlands	**1990**	3,392	277	**1.5%**	394	**5.6%**	367	1,491	863
	2000	4,162	343	**1.7%**	487	**6.9%**	294	1,883	1,155
	Change 1990-2000	770 22.7%	66 23.8%	**0.2%**	93 23.6%	**1.3%**	-73 -19.9%	392 26.3%	292 33.8%
Northern Valley-Piedmont	**1990**	7,479	685	**1.8%**	647	**4.8%**	387	4,139	1,621
	2000	8,009	772	**1.7%**	629	**4.0%**	430	4,228	1,950
	Change 1990-2000	530 7.1%	87 12.7%	**-0.2%**	-18 -2.8%	**-0.8%**	43 11.1%	89 2.2%	329 20.3%
Southside	**1990**	10,163	673	**1.3%**	1,121	**5.5%**	791	3,718	3,860
	2000	14,108	1,219	**2.0%**	1,422	**6.3%**	885	4,854	5,728
	Change 1990-2000	3,945 38.8%	546 81.1%	**0.7%**	301 26.9%	**0.8%**	94 11.9%	1,136 30.6%	1,868 48.4%
Northern Neck-Middle Peninsula	**1990**	10,893	639	**2.0%**	560	**6.8%**	524	7,188	1,982
	2000	12,070	749	**2.0%**	515	**5.5%**	424	7,557	2,825
	Change 1990-2000	1,177 10.8%	110 17.2%	**0.0%**	-45 -8.0%	**-1.3%**	-100 -19.1%	369 5.1%	843 42.5%
Eastern Shore	**1990**	4,241	398	**3.0%**	496	**9.1%**	425	1,772	1,150
	2000	5,477	279	**1.8%**	379	**6.5%**	263	3,172	1,384
	Change 1990-2000	1,236 29.1%	-119 -29.9%	**-1.2%**	-117 -23.6%	**-2.7%**	-162 -38.1%	1,400 79.0%	234 20.3%
All Rural Market Areas	**1990**	53,084	4,211	**1.6%**	5,639	**6.5%**	4,069	23,297	15,868
	2000	67,568	5,634	**1.8%**	7,078	**7.2%**	4,042	26,679	21,135
	Change 1990-2000	14,484 27.3%	1,423 33.8%	**0.3%**	1,439 25.5%	**0.7%**	-27 -0.7%	6,382 27.4%	5,267 33.2%

Source: U.S. Census Bureau

Housing Tenure

Owner and Renter Occupancy

Table 3A		Occupied Units	Owner-Occupied Number	Owner-Occupied Share	Renter-Occupied Number	Renter-Occupied Share
Cumberland Plateau	1990	70,909	55,165	77.8%	15,744	22.2%
	2000	74,711	58,130	77.8%	16,581	22.2%
	Change 1990-2000	3,802 5.4%	2,965 5.4%	0.0%	837 5.3%	0.0%
Southern Blue Ridge	1990	70,337	55,990	79.6%	14,347	20.4%
	2000	82,862	65,600	79.2%	17,262	20.8%
	Change 1990-2000	12,525 17.8%	9,610 17.2%	-0.4%	2,915 20.3%	0.4%
Alleghany Highlands	1990	24,624	17,978	73.0%	6,646	27.0%
	2000	26,274	19,702	75.0%	6,572	25.0%
	Change 1990-2000	1,650 6.7%	1,724 9.6%	2.0%	-74 -1.1%	-2.0%
Northern Valley-Piedmont	1990	49,765	36,828	74.0%	12,937	26.0%
	2000	60,576	45,468	75.1%	15,108	24.9%
	Change 1990-2000	10,811 21.7%	8,640 23.5%	1.1%	2,171 16.8%	-1.1%
Southside	1990	70,968	51,809	73.0%	19,159	27.0%
	2000	80,536	59,322	73.7%	21,214	26.3%
	Change 1990-2000	9,568 13.5%	7,513 14.5%	0.7%	2,055 10.7%	-0.7%
Northern Neck-Middle Peninsula	1990	38,252	30,604	80.0%	7,648	20.0%
	2000	45,290	36,405	80.4%	8,885	19.6%
	Change 1990-2000	7,038 18.4%	5,801 19.0%	0.4%	1,237 16.2%	-0.4%
Eastern Shore	1990	17,782	12,842	72.2%	4,940	27.8%
	2000	20,620	15,131	73.4%	5,489	26.6%
	Change 1990-2000	2,838 16.0%	2,289 17.8%	1.2%	549 11.1%	-1.2%
All Rural Market Areas	1990	342,637	261,216	76.2%	81,421	23.8%
	2000	390,869	299,758	76.7%	91,111	23.3%
	Change 1990-2000	48,232 14.1%	38,542 14.8%	0.5%	9,690 11.9%	-0.5%

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder

Table 3B		Working Age Households				Elderly Households	
		Under Age 25	Age 25-34	Age 35-44	Age 45-64	Age 65-74	Age 75+
Cumberland Plateau	1990	40.7%	65.6%	78.5%	84.0%	86.0%	83.0%
	2000	41.1%	63.5%	75.2%	83.4%	86.0%	85.1%
	Change 1990-2000	0.4%	-2.1%	-3.3%	-0.6%	0.0%	2.1%
Southern Blue Ridge	1990	42.3%	65.2%	79.8%	86.9%	87.2%	84.5%
	2000	41.3%	63.8%	76.8%	85.7%	87.8%	84.2%
	Change 1990-2000	-1.0%	-1.4%	3.0%	-1.2%	0.6%	-0.3%
Alleghany Highlands	1990	21.2%	52.3%	73.3%	83.8%	82.9%	79.0%
	2000	23.4%	55.8%	72.1%	83.1%	85.3%	81.2%
	Change 1990-2000	2.2%	3.5%	-1.2%	-0.7%	2.4%	2.2%
Northern Valley-Piedmont	1990	28.5%	55.1%	72.9%	83.8%	85.2%	81.6%
	2000	26.4%	55.2%	71.4%	82.2%	86.4%	84.0%
	Change 1990-2000	-2.1%	0.1%	-1.5%	-1.6%	1.2%	2.4%
Southside	1990	31.7%	53.8%	71.1%	80.9%	82.2%	79.6%
	2000	29.8%	54.0%	68.7%	80.8%	83.6%	80.5%
	Change 1990-2000	-1.9%	0.2%	-2.4%	-0.1%	1.4%	0.9%
Northern Neck-Middle Peninsula	1990	37.9%	58.2%	77.8%	87.9%	90.9%	86.4%
	2000	36.0%	59.5%	73.6%	86.0%	91.0%	88.7%
	Change 1990-2000	-1.9%	1.3%	-4.2%	-1.9%	0.1%	2.3%
Eastern Shore	1990	33.4%	49.1%	67.4%	80.3%	84.2%	81.0%
	2000	36.5%	51.3%	67.3%	79.4%	84.6%	82.9%
	Change 1990-2000	3.1%	2.2%	-0.1%	-0.9%	0.4%	1.9%
All Rural Market Areas	1990	35.4%	59.1%	75.5%	84.2%	85.5%	82.3%
	2000	34.8%	58.9%	72.8%	83.3%	86.4%	83.8%
	Change 1990-2000	-0.6%	-0.2%	-2.7%	-0.9%	0.9%	1.5%

Source: U.S. Census Bureau

Housing Tenure

Homeownership Rate by Age of Householder and Family Status

Table 3C		Householder Under 35		Householder 35-64		Householder 65+	
		Family HHs	Other HHs	Family HHs	Other HHs	Family HHs	Other HHs
Cumberland Plateau	1990	63.9%	39.1%	83.8%	67.0%	90.5%	78.5%
	2000	62.7%	40.3%	85.1%	64.4%	91.7%	78.7%
	Change 1990-2000	1.2%	1.2%	1.3%	-2.6%	1.2%	0.2%
Southern Blue Ridge	1990	65.3%	44.8%	87.1%	70.9%	91.7%	77.0%
	2000	64.1%	41.4%	87.0%	68.1%	92.5%	78.6%
	Change 1990-2000	-1.2%	-3.4%	-0.1%	-2.8%	0.8%	1.6%
Alleghany Highlands	1990	48.3%	28.6%	84.1%	68.1%	88.3%	70.9%
	2000	57.7%	26.7%	84.5%	63.7%	91.4%	74.4%
	Change 1990-2000	9.4%	-1.9%	0.4%	-4.4%	3.1%	3.5%
Northern Valley-Piedmont	1990	59.3%	34.8%	82.6%	66.1%	91.7%	76.3%
	2000	54.6%	33.9%	82.1%	64.4%	91.8%	76.4%
	Change 1990-2000	-4.7%	-0.9%	-0.5%	-1.7%	0.1%	0.1%
Southside	1990	53.4%	35.7%	80.3%	63.8%	86.6%	74.6%
	2000	53.8%	33.5%	81.1%	62.4%	89.4%	74.2%
	Change 1990-2000	0.4%	-2.2%	0.8%	-1.4%	2.8%	-0.4%
Northern Neck-Middle Peninsula	1990	59.9%	36.6%	87.8%	75.0%	94.0%	82.9%
	2000	59.5%	40.9%	84.9%	71.7%	94.6%	83.7%
	Change 1990-2000	-0.4%	4.3%	-2.9%	-3.3%	0.6%	0.8%
Eastern Shore	1990	49.0%	35.9%	79.2%	58.0%	89.7%	77.5%
	2000	49.7%	42.3%	77.4%	68.5%	90.5%	76.3%
	Change 1990-2000	0.7%	6.4%	-1.8%	10.5%	0.8%	-1.2%
All Rural Market Areas	1990	59.4%	37.1%	83.9%	67.5%	90.3%	76.9%
	2000	58.8%	37.0%	83.8%	65.8%	91.7%	77.5%
	Change 1990-2000	-0.6%	-0.1%	-0.1%	-1.7%	1.4%	0.6%

Source: U.S. Census Bureau

Notes: See Part V.B—Data Tables—21

Housing Tenure

Homeownership Rate by Race and Ethnicity of Householder

Table 3D		White Non-Hispanic	All Minorities	Racial Minorities: Black	Racial Minorities: Asian	Hispanic/ Latino
Cumberland Plateau	1990	78.1%	63.4%	59.9%	na	69.0%
	2000	78.2%	63.4%	56.8%	73.9%	69.3%
	Change 1990-2000	0.1%	0.0%	-3.1%	na	0.3%
Southern Blue Ridge	1990	80.1%	68.5%	69.5%	na	56.2%
	2000	80.1%	62.4%	67.1%	66.7%	44.2%
	Change 1990-2000	0.0%	-6.1%	-2.4%	na	-12.0%
Alleghany Highlands	1990	73.8%	62.1%	62.5%	na	57.1%
	2000	76.1%	60.1%	60.7%	45.5%	60.2%
	Change 1990-2000	2.3%	-2.0%	-1.8%	na	3.1%
Northern Valley-Piedmont	1990	74.7%	68.0%	69.8%	na	52.3%
	2000	76.8%	62.9%	65.6%	52.4%	40.6%
	Change 1990-2000	2.1%	-5.1%	-4.2%	na	-11.7%
Southside	1990	77.7%	65.4%	65.5%	na	65.4%
	2000	78.8%	65.8%	66.2%	53.6%	47.4%
	Change 1990-2000	1.1%	0.4%	0.7%	na	-18.0%
Northern Neck-Middle Peninsula	1990	80.7%	78.3%	78.7%	na	67.9%
	2000	82.4%	75.4%	76.2%	62.5%	56.0%
	Change 1990-2000	1.7%	-2.9%	-2.5%	na	-11.9%
Eastern Shore	1990	79.4%	58.4%	58.8%	na	41.1%
	2000	80.5%	60.0%	61.4%	59.4%	35.7%
	Change 1990-2000	1.1%	1.6%	2.6%	na	-5.4%
All Rural Market Areas	1990	77.9%	67.5%	67.8%	na	59.6%
	2000	78.9%	66.3%	67.4%	59.7%	47.1%
	Change 1990-2000	1.0%	-1.2%	-0.4%	na	-12.5%

Source: U.S. Census Bureau

Housing Demand Factors

Jobs and Income

Table 4		Total Area Jobs	Per Capita Income (1999$)		Civilian Labor Force	Unemploy. Rate
Cumberland Plateau	1990	76,548	$16,702	1990	74,436	10.7%
	1999	78,204	$17,953	2000	71,956	6.1%
	Change 1990-1999	1,656 2.2%	$1,251 7.5%	Change 1990-2000	-2,480 -3.3%	-4.6%
Southern Blue Ridge	1990	84,759	$17,414	1990	95,360	7.6%
	1999	95,259	$19,487	2000	100,227	5.2%
	Change 1990-1999	10,500 12.4%	$2,073 11.9%	Change 1990-2000	4,867 5.1%	-2.4%
Alleghany Highlands	1990	31,902	$18,918	1990	31,522	7.6%
	1999	35,420	$21,724	2000	31,947	2.5%
	Change 1990-1999	3,518 11.0%	$2,806 14.8%	Change 1990-2000	425 1.3%	-5.2%
Northern Valley-Piedmont	1990	61,771	$20,062	1990	68,998	5.8%
	1999	74,908	$22,722	2000	76,127	1.9%
	Change 1990-1999	13,137 21.3%	$2,660 13.3%	Change 1990-2000	7,129 10.3%	-3.9%
Southside	1990	95,886	$17,357	1990	92,597	6.6%
	1999	107,662	$19,007	2000	97,002	3.7%
	Change 1990-1999	11,776 12.3%	$1,650 9.5%	Change 1990-2000	4,405 4.8%	-2.9%
Northern Neck-Middle Peninsula	1990	42,490	$21,250	1990	49,101	7.0%
	1999	50,621	$23,492	2000	54,391	3.6%
	Change 1990-1999	8,131 19.1%	$2,242 10.5%	Change 1990-2000	5,290 10.8%	-3.4%
Eastern Shore	1990	22,605	$18,166	1990	20,723	5.3%
	1999	23,444	$20,205	2000	20,148	3.9%
	Change 1990-1999	839 3.7%	$2,039 11.2%	Change 1990-2000	-575 -2.8%	-1.5%
All Rural Market Areas	1990	415,961	$18,201	1990	432,737	7.5%
	1999	465,518	$20,238	2000	451,798	4.0%
	Change 1990-1999	49,557 11.9%	$2,037 11.2%	Change 1990-2000	19,061 4.4%	-3.4%

Source: Bureau of Economic Analysis (jobs and per capita income); VEC (labor force and unemployment); U.S. Census Bureau (civilian population)

Housing Demand Factors

Incidence of Poverty

Table 5	Persons in Poverty					Poverty Rate				
	1989	1993	1997	Change 1989-93	Change 1993-97	1989	1993	1997	Change 1989-93	Change 1993-97
Cumberland Plateau	42,812	44,653	43,639	1,841 (4.3%)	-1,014 (-2.3%)	22.6%	23.0%	23.0%	0.4%	0.0%
Southern Blue Ridge	25,795	28,606	28,821	2,811 (10.9%)	215 (0.8%)	14.5%	15.2%	15.0%	0.7%	-0.2%
Alleghany Highlands	8,109	8,102	8,580	-7 (-0.1%)	478 (5.9%)	13.4%	13.0%	13.9%	-0.4%	0.9%
Northern Valley-Piedmont	13,869	17,129	18,040	3,260 (23.5%)	911 (5.3%)	10.5%	11.9%	11.8%	1.4%	-0.1%
Southside	34,186	37,093	38,591	2,907 (8.5%)	1,498 (4.0%)	18.4%	19.0%	19.8%	0.6%	0.8%
Northern Neck-Middle Peninsula	12,054	15,549	16,061	3,495 (29.0%)	512 (3.3%)	12.2%	14.5%	14.4%	2.3%	-0.1%
Eastern Shore	9,512	11,109	10,513	1,597 (16.8%)	-596 (-5.4%)	21.6%	24.6%	23.3%	3.0%	-1.3%
All Rural Market Areas	146,337	162,241	164,245	15,904 (10.9%)	2,004 (1.2%)	16.5%	17.3%	17.3%	0.8%	0.0%

Source: U.S. Census Bureau

Housing Demand Factors

Changing Age Profile of Working-Age Adult Population

Table 6A		Young Adult Population				Middle-Age Pop.
		Age 20-24	Age25-34	Age 35-44	Total	Age 45-64
Cumberland Plateau	**Change 1990-2000**	-873 -7.1%	-5,639 -19.0%	-312 -1.1%	**-6,824 -9.6%**	**9,352 23.5%**
	Change 2000-2010	697 5.0%	-1,924 -8.3%	-5,270 -17.8%	**-6,497 -9.7%**	**7,146 13.9%**
Southern Blue Ridge	**Change 1990-2000**	-1,361 -11.2%	-893 -3.3%	3,801 14.0%	**1,547 2.3%**	**12,105 29.2%**
	Change 2000-2010	1,721 12.8%	-328 -1.2%	-3,536 -11.7%	**-2,143 -4.6%**	**11,636 23.2%**
Alleghany Highlands	**Change 1990-2000**	-839 -15.3%	-1,308 -15.0%	640 7.5%	**-1,507 -6.6%**	**2,166 14.8%**
	Change 2000-2010	381 5.8%	-524 -6.4%	-1,312 -16.3%	**-1,455 -6.4%**	**2,753 16.5%**
Northern Valley-Piedmont	**Change 1990-2000**	-780 -9.3%	-2,126 -9.9%	5,262 25.6%	**2,356 4.7%**	**11,325 40.0%**
	Change 2000-2010	1,725 20.2%	672 4.1%	-1,508 -6.1%	**889 1.8%**	**12,594 30.7%**
Southside	**Change 1990-2000**	-63 -0.5%	-1,671 -5.8%	6,828 25.2%	**5,094 7.3%**	**12,142 29.6%**
	Change 2000-2010	1,499 11.3%	-888 -3.6%	-4,160 -13.3%	**-3,549 -5.1%**	**10,776 20.6%**
Northern Neck-Middle Peninsula	**Change 1990-2000**	-298 -5.4%	-2,604 -17.1%	4,153 30.9%	**1,251 3.7%**	**7,996 35.7%**
	Change 2000-2010	1,185 19.3%	525 4.0%	-1,146 -6.4%	**564 1.5%**	**8,572 30.3%**
Eastern Shore	**Change 1990-2000**	390 16.2%	-896 -14.0%	1,837 31.9%	**1,331 9.1%**	**2,855 29.0%**
	Change 2000-2010	181 6.6%	-365 -7.0%	-1,065 -16.5%	**-1,249 -8.7%**	**1,801 16.8%**
All Rural Market Areas	**Change 1990-2000**	-3,824 -6.4%	-15,137 -11.0%	22,209 16.8%	**3,248 1.0%**	**57,941 29.4%**
	Change 2000-2010	7,389 11.4%	-2,832 -2.4%	-17,997 -12.1%	**-13,440 -4.1%**	**55,278 22.1%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors

Changing Age Profile of Elderly Population

Table 6B		Elderly Population			
		Age 65-74	Age 75-84	Age 85+	Total
Cumberland Plateau	Change 1990-2000	66 0.5%	1,003 12.9%	924 48.4%	**1,993** **8.2%**
	Change 2000-2010	1,353 9.3%	-388 -4.0%	568 20.0%	**1,533** **5.7%**
Southern Blue Ridge	Change 1990-2000	1,595 9.8%	1,692 18.7%	1,010 38.6%	**4,297** **15.4%**
	Change 2000-2010	2,840 17.0%	311 2.7%	1,137 28.1%	**4,288** **13.2%**
Alleghany Highlands	Change 1990-2000	-133 -2.2%	490 14.7%	394 43.3%	**751** **7.3%**
	Change 2000-2010	613 10.2%	-177 -4.2%	239 19.3%	**675** **5.9%**
Northern Valley-Piedmont	Change 1990-2000	1,434 12.3%	1,548 24.7%	603 32.1%	**3,585** **18.1%**
	Change 2000-2010	3,075 24.5%	837 9.6%	1,117 36.7%	**5,029** **20.7%**
Southside	Change 1990-2000	-819 -4.3%	1,892 18.4%	1,078 36.2%	**2,151** **6.6%**
	Change 2000-2010	2,731 15.0%	55 0.4%	1,011 26.1%	**3,797** **10.7%**
Northern Neck-Middle Peninsula	Change 1990-2000	572 5.4%	1,608 29.0%	869 56.6%	**3,049** **17.2%**
	Change 2000-2010	2,275 22.2%	537 7.2%	855 35.0%	**3,667** **18.2%**
Eastern Shore	Change 1990-2000	195 4.1%	252 9.0%	272 32.6%	**719** **8.5%**
	Change 2000-2010	450 10.5%	-91 -2.8%	236 21.8%	**595** **6.9%**
All Rural Market Areas	Change 1990-2000	2,910 3.5%	8,485 18.8%	5,150 40.7%	**16,545** **11.7%**
	Change 2000-2010	13,337 16.2%	1,084 1.9%	5,163 27.8%	**19,584** **12.3%**

Source: U.S. Census Bureau (1990-2000 actual change); Virginia Employment Commission (2000-2010 projected change)

Housing Demand Factors

Household Composition

Table 7		Households with Persons <18			Households without Persons <18			All Households	
		Married	Other	Total	1-Person	2+ Persons	Total	Total	Avg. Size
Cumberland Plateau	**1990**	23,994	5,551	**29,545**	14,437	26,927	**41,364**	**70,909**	2.67
	2000	17,129	7,706	**24,835**	18,694	31,182	**49,876**	**74,711**	2.42
	Change	-6,865	2,155	**-4,710**	4,257	4,255	**8,512**	**3,802**	-0.25
	1990-2000	-28.6%	38.8%	**-15.9%**	29.5%	15.8%	**20.6%**	**5.4%**	
Southern Blue Ridge	**1990**	19,737	4,979	**24,716**	15,381	30,240	**45,621**	**70,337**	2.53
	2000	17,849	8,048	**25,897**	21,005	35,960	**56,965**	**82,862**	2.38
	Change	-1,888	3,069	**1,181**	5,624	5,720	**11,344**	**12,525**	-0.16
	1990-2000	-9.6%	61.6%	**4.8%**	36.6%	18.9%	**24.9%**	**17.8%**	
Alleghany Highlands	**1990**	6,147	1,836	**7,983**	6,210	10,431	**16,641**	**24,624**	2.46
	2000	5,268	2,685	**7,953**	7,252	11,069	**18,321**	**26,274**	2.35
	Change	-879	849	**-30**	1,042	638	**1,680**	**1,650**	-0.12
	1990-2000	-14.3%	46.2%	**-0.4%**	16.8%	6.1%	**10.1%**	**6.7%**	
Northern Valley-Piedmont	**1990**	14,492	4,010	**18,502**	10,314	20,949	**31,263**	**49,765**	2.67
	2000	13,753	7,116	**20,869**	13,842	25,865	**39,707**	**60,576**	2.53
	Change	-739	3,106	**2,367**	3,528	4,916	**8,444**	**10,811**	-0.14
	1990-2000	-5.1%	77.5%	**12.8%**	34.2%	23.5%	**27.0%**	**21.7%**	
Southside	**1990**	18,213	7,523	**25,736**	17,193	28,039	**45,232**	**70,968**	2.62
	2000	15,105	11,784	**26,889**	21,945	31,702	**53,647**	**80,536**	2.45
	Change	-3,108	4,261	**1,153**	4,752	3,663	**8,415**	**9,568**	-0.17
	1990-2000	-17.1%	56.6%	**4.5%**	27.6%	13.1%	**18.6%**	**13.5%**	
Northern Neck-Middle Peninsula	**1990**	9,712	3,420	**13,132**	8,815	16,305	**25,120**	**38,252**	2.59
	2000	8,746	5,579	**14,325**	11,357	19,608	**30,965**	**45,290**	2.45
	Change	-966	2,159	**1,193**	2,542	3,303	**5,845**	**7,038**	-0.13
	1990-2000	-9.9%	63.1%	**9.1%**	28.8%	20.3%	**23.3%**	**18.4%**	
Eastern Shore	**1990**	3,785	2,108	**5,893**	4,886	7,003	**11,889**	**17,782**	2.47
	2000	3,648	3,271	**6,919**	5,806	7,895	**13,701**	**20,620**	2.43
	Change	-137	1,163	**1,026**	920	892	**1,812**	**2,838**	-0.04
	1990-2000	-3.6%	55.2%	**17.4%**	18.8%	12.7%	**15.2%**	**16.0%**	
All Rural Market Areas	**1990**	96,080	29,427	**125,507**	77,236	139,894	**217,130**	**342,637**	2.60
	2000	81,498	46,189	**127,687**	99,901	163,281	**263,182**	**390,869**	2.43
	Change	-14,582	16,762	**2,180**	22,665	23,387	**46,052**	**48,232**	-0.16
	1990-2000	-15.2%	57.0%	**1.7%**	29.3%	16.7%	**21.2%**	**14.1%**	

Source: U.S. Census Bureau

Housing Demand Factors

Population by Reported Race and Ethnicity

Table 8		Non-Hispanic Whites	All Minorities	Racial Minorities				Hispanics/ Latinos
				Blacks	Asians	Other Races	Mixed Races	
Cumberland Plateau	1990 Pop.	187,754	4,142	2,715	485	363	na	788
	% of Pop.	97.8%	2.2%	1.4%	0.3%	0.2%	na	0.4%
	2000 Pop.	179,248	6,647	3,776	538	598	988	1,109
	% of Pop.	96.4%	3.6%	2.0%	0.3%	0.3%	0.5%	0.6%
Southern Blue Ridge	1990 Pop.	173,095	9,824	8,538	296	499	na	798
	% of Pop.	94.6%	5.4%	4.7%	0.2%	0.3%	na	0.4%
	2000 Pop.	187,675	14,442	9,372	477	1,717	1,311	3,108
	% of Pop.	92.9%	7.1%	4.6%	0.2%	0.8%	0.6%	1.5%
Alleghany Highlands	1990 Pop.	59,474	4,521	3,914	255	153	na	264
	% of Pop.	92.9%	7.1%	6.1%	0.4%	0.2%	na	0.4%
	2000 Pop.	59,895	5,231	3,726	347	297	568	449
	% of Pop.	92.0%	8.0%	5.7%	0.5%	0.5%	0.9%	0.7%
Northern Valley-Piedmont	1990 Pop.	117,560	17,252	15,593	547	508	na	875
	% of Pop.	87.2%	12.8%	11.6%	0.4%	0.4%	na	0.6%
	2000 Pop.	133,588	22,954	17,658	617	1,732	1,569	2,911
	% of Pop.	85.3%	14.7%	11.3%	0.4%	1.1%	1.0%	1.9%
Southside	1990 Pop.	115,348	81,601	83,201	371	481	na	965
	% of Pop.	58.6%	41.4%	42.2%	0.2%	0.2%	na	0.5%
	2000 Pop.	120,737	96,173	91,372	677	1,426	1,613	2,586
	% of Pop.	55.7%	44.3%	42.1%	0.3%	0.7%	0.7%	1.2%
Northern Neck-Middle Peninsula	1990 Pop.	67,565	32,983	31,697	330	594	na	640
	% of Pop.	67.2%	32.8%	31.5%	0.3%	0.6%	na	0.6%
	2000 Pop.	77,331	37,497	33,701	511	1,245	1,246	1,730
	% of Pop.	67.3%	32.7%	29.3%	0.4%	1.1%	1.1%	1.5%
Eastern Shore	1990 Pop.	27,062	17,702	16,973	63	347	na	708
	% of Pop.	60.5%	39.5%	37.9%	0.1%	0.8%	na	1.6%
	2000 Pop.	30,575	20,823	17,723	112	1,818	492	2,516
	% of Pop.	59.5%	40.5%	34.5%	0.2%	3.5%	1.0%	4.9%
All Rural Market Areas	1990 Pop.	747,858	168,025	162,631	2,347	2,945	na	5,038
	% of Pop.	81.7%	18.3%	17.8%	0.3%	0.3%	na	0.6%
	2000 Pop.	789,049	203,767	177,328	3,279	8,833	7,787	14,409
	% of Pop.	79.5%	20.5%	17.9%	0.3%	0.9%	0.8%	1.5%

Source: U.S. Census Bureau

Data for 1990 and 2000 are not directly comparable because in 1990 persons of mixed race were counted in other racial categories.

Housing Affordability

Minimum Income Needed to Afford Housing at the Fair Market Rent (FMR)

Table 9A		1-Per. HH / 1 Bedrm. Unit			3-Per. HH / 2 Bedrm. Unit			5-Per. HH / 3 Bedrm. Unit		
		FMR	Min. Income	% AMI	FMR	Min. Income	% AMI	FMR	Min. Income	% AMI
Cumberland Plateau	1997	$385	$15,393	57%	$452	$18,099	52%	$608	$24,309	58%
	2001	$365	$14,600	51%	$428	$17,120	47%	$575	$23,000	52%
	Change	-$20	-$793	-6%	-$24	-$979	-5%	-$33	-$1,309	-6%
	1997-2001	-5.2%	-5.2%		-5.3%	-5.4%		-5.4%	-5.4%	
Southern Blue Ridge	1997	$385	$15,393	55%	$452	$18,099	51%	$608	$24,309	57%
	2001	$365	$14,600	50%	$428	$17,120	46%	$575	$23,000	51%
	Change	-$20	-$793	-5%	-$24	-$979	-5%	-$33	-$1,309	-6%
	1997-2001	-5.2%	-5.2%		-5.3%	-5.4%		-5.4%	-5.4%	
Alleghany Highlands	1997	$385	$15,393	55%	$452	$18,099	50%	$608	$24,309	56%
	2001	$365	$14,600	49%	$428	$17,120	44%	$575	$23,000	50%
	Change	-$20	-$793	-6%	-$24	-$979	-6%	-$33	-$1,309	-6%
	1997-2001	-5.2%	-5.2%		-5.3%	-5.4%		-5.4%	-5.4%	
Northern Valley-Piedmont	1997	$461	$18,441	57%	$556	$22,228	54%	$752	$30,078	60%
	2001	$439	$17,547	51%	$529	$21,160	48%	$716	$28,633	54%
	Change	-$22	-$894	-6%	-$27	-$1,068	-6%	-$36	-$1,445	-6%
	1997-2001	-4.8%	-4.8%		-4.9%	-4.8%		-4.8%	-4.8%	
Southside	1997	$387	$15,467	57%	$454	$18,149	52%	$608	$24,309	58%
	2001	$367	$14,690	51%	$429	$17,169	46%	$575	$23,000	52%
	Change	-$20	-$777	-6%	-$25	-$980	-6%	-$33	-$1,309	-6%
	1997-2001	-5.2%	-5.0%		-5.5%	-5.4%		-5.4%	-5.4%	
Northern Neck-Middle Peninsula	1997	$438	$17,538	58%	$528	$21,101	54%	$704	$28,144	60%
	2001	$419	$16,770	51%	$503	$20,135	47%	$672	$26,879	55%
	Change	-$19	-$768	-7%	-$25	-$966	-7%	-$32	-$1,265	-5%
	1997-2001	-4.3%	-4.4%		-4.7%	-4.6%		-4.5%	-4.5%	
Eastern Shore	1997	$389	$15,578	58%	$456	$18,253	53%	$608	$24,309	58%
	2001	$369	$14,767	52%	$431	$17,259	47%	$575	$23,000	52%
	Change	-$20	-$811	-6%	-$25	-$994	-6%	-$33	-$1,309	-6%
	1997-2001	-5.1%	-5.2%		-5.5%	-5.4%		-5.4%	-5.4%	
All Rural Market Areas	1997	$403	$16,136	57%	$477	$19,097	52%	$641	$25,640	58%
	2001	$383	$15,331	51%	$453	$18,104	47%	$608	$24,312	52%
	Change	-$20	-$805	-6%	-$24	-$993	-5%	-$33	-$1,328	-6%
	1997-2001	-5.0%	-5.0%		-5.0%	-5.2%		-5.1%	-5.2%	

Source: HUD (Fair Market Rents and area median income estimates adjusted for household size)

Notes: See Part V.B—Data Tables—21

Housing Affordability

Rent Burden for Lowest Income Populations

Table 9B		1-Bedrm. FMR	Minimum Wage Workers Income / Rent Burden		Single SSI Recipients Income / Rent Burden		Age 65+ Living on OASDI Income / Rent Burden	
Cumberland Plateau	1997	$385	$10,957	42%	$6,441	72%	$8,703	53%
	2001	$365	$10,712	41%	$6,372	69%	na	na
	Change 1997-2001	-$20 -5.2%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Southern Blue Ridge	1997	$385	$10,957	42%	$6,441	72%	$8,610	54%
	2001	$365	$10,712	41%	$6,372	69%	na	na
	Change 1997-2001	-$20 -5.2%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Alleghany Highlands	1997	$385	$10,957	42%	$6,441	72%	$9,369	49%
	2001	$365	$10,712	41%	$6,372	69%	na	na
	Change 1997-2001	-$20 -5.2%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Northern Valley-Piedmont	1997	$461	$10,957	50%	$6,441	86%	$8,956	62%
	2001	$439	$10,712	49%	$6,372	83%	na	na
	Change 1997-2001	-$22 -4.8%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Southside	1997	$387	$10,957	42%	$6,441	72%	$8,424	55%
	2001	$367	$10,712	41%	$6,372	69%	na	na
	Change 1997-2001	-$20 -5.2%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Northern Neck-Middle Peninsula	1997	$438	$10,957	48%	$6,441	82%	$9,010	58%
	2001	$419	$10,712	47%	$6,372	79%	na	na
	Change 1997-2001	-$19 -4.3%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		
Eastern Shore	1997	$389	$10,957	43%	$6,441	72%	$8,557	55%
	2001	$369	$10,712	41%	$6,372	69%	na	na
	Change 1997-2001	-$20 -5.1%	-$245 -2.2%	-2%	-$69 -1.1%	-3%		
All Rural Market Areas	1997	$403	$10,957	44%	$6,441	75%	$8,730	55%
	2001	$383	$10,712	43%	$6,372	72%	na	na
	Change 1997-2001	-$20 -5.0%	-$245 -2.2%	-1%	-$69 -1.1%	-3%		

Source: HUD (Fair Market Rents); Dept. of Labor (minimum wage rates); Social Security Administration (SSI and OASDI benefit payments)

Notes: See Part V.B—Data Tables—21

Federal and State Rental Housing Assistance

Low-Income Family Units

Table 10A		Total Low-Income Family Units	Units per 1000 Non-Eld. Renter HHs	Family Units with Deep Subsidies	Units per 1000 Non-Eld. Renter HHs
Cumberland Plateau	**1990**	1,225	93	758	58
	2000	1,448	104	1,033	74
	Chg. 90-00	223 (18.2%)	11 (11.8%)	275 (36.3%)	16 (27.6%)
	Since 1/00*	80 net units on-line or approved		0 net units on-line or approved	
Southern Blue Ridge	**1990**	1,300	110	964	82
	2000	1,338	93	986	69
	Chg. 90-00	38 (2.9%)	-17 (-15.5%)	22 (2.3%)	-13 (-15.9%)
	Since 1/00*	-32 net units on-line or approved		0 net units on-line or approved	
Alleghany Highlands	**1990**	502	94	325	61
	2000	458	86	358	67
	Chg. 90-00	-44 (-8.8%)	-8 (-8.5%)	33 (10.2%)	6 (9.8%)
	Since 1/00*	40 net units on-line or approved		0 net units on-line or approved	
Northern Valley-Piedmont	**1990**	676	62	242	22
	2000	1,073	83	249	19
	Chg. 90-00	397 (58.7%)	21 (33.9%)	7 (2.9%)	-3 (-13.6%)
	Since 1/00*	163 net units on-line or approved		0 net units on-line or approved	
Southside	**1990**	1,696	111	913	60
	2000	1,831	107	1,286	75
	Chg. 90-00	135 (8.0%)	-4 (-3.6%)	373 (40.9%)	15 (25.0%)
	Since 1/00*	331 net units on-line or approved		41 net units on-line or approved	
Northern Neck-Middle Peninsula	**1990**	370	58	115	18
	2000	614	81	165	22
	Chg. 90-00	244 (65.9%)	23 (39.7%)	50 (43.5%)	4 (22.2%)
	Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	
Eastern Shore	**1990**	98	25	58	15
	2000	140	31	61	14
	Chg. 90-00	42 (42.9%)	6 (24.0%)	3 (5.2%)	-1 (-6.7%)
	Since 1/00*	79 net units on-line or approved		47 net units on-line or approved	
All Rural Market Areas	**1990**	5,867	88	3,375	51
	2000	6,902	91	4,138	55
	Chg. 90-00	1,035 (17.6%)	3 (3.4%)	763 (22.6%)	4 (7.8%)
	Since 1/00*	661 net units on-line or approved		88 net units on-line or approved	

Source: HUD, USDA (Rural Housing), PHAs, and VHDA (assisted units); U.S. Census Bureau (non-elderly renter households)

*Units placed in service or receiving federal or state funding approval since January 2000

Notes: See Part V.B—Data Tables—21

Federal and State Rental Housing Assistance

Low-Income Elderly Independent Living Units

Table 10B		Total Low-Income Elderly Units	Units per 1000 Elderly Renter HHs	Elderly Units with Deep Subsidies	Units per 1000 Elderly Renter HHs
Cumberland Plateau	**1990**	476	185	386	150
	2000	782	300	692	265
	Chg. 90-00	306 (64.3%)	115 (62.2%)	306 (79.3%)	115 (76.7%)
	Since 1/00*	33 net units on-line or approved		0 net units on-line or approved	
Southern Blue Ridge	**1990**	291	115	225	89
	2000	555	189	554	189
	Chg. 90-00	264 (90.7%)	74 (64.3%)	329 (146.2%)	100 (112.4%)
	Since 1/00*	12 net units on-line or approved		0 net units on-line or approved	
Alleghany Highlands	**1990**	350	269	283	217
	2000	420	344	419	343
	Chg. 90-00	70 (20.0%)	75 (27.9%)	136 (48.1%)	126 (58.1%)
	Since 1/00*	0 net units on-line or approved		0 net units on-line or approved	
Northern Valley-Piedmont	**1990**	335	164	275	134
	2000	508	232	500	228
	Chg. 90-00	173 (51.6%)	68 (41.5%)	225 (81.8%)	94 (70.1%)
	Since 1/00*	169 net units on-line or approved		23 net units on-line or approved	
Southside	**1990**	138	35	42	11
	2000	693	171	686	169
	Chg. 90-00	555 (402.2%)	136 (388.6%)	644 (1533.3%)	158 (1436.4%)
	Since 1/00*	157 net units on-line or approved		69 net units on-line or approved	
Northern Neck-Middle Peninsula	**1990**	79	63	79	37
	2000	271	203	271	203
	Chg. 90-00	192 (243.0%)	140 (222.2%)	192 (243.0%)	166 (448.6%)
	Since 1/00*	56 net units on-line or approved		56 net units on-line or approved	
Eastern Shore	**1990**	131	135	130	134
	2000	167	170	166	169
	Chg. 90-00	36 (27.5%)	35 (25.9%)	36 (27.7%)	35 (26.1%)
	Since 1/00*	121 net units on-line or approved		121 net units on-line or approved	
All Rural Market Areas	**1990**	1,800	123	1,388	95
	2000	3,396	222	3,288	214
	Chg. 90-00	1,596 (88.7%)	99 (80.5%)	1,900 (136.9%)	119 (125.3%)
	Since 1/00*	548 net units on-line or approved		269 net units on-line or approved	

Source: HUD, USDA (Rural Housing), and VHDA (assisted units); U.S. Census Bureau (elderly renter households)

*Units placed in service or receiving federal or state funding approval since January 2000

Notes: See Part V.B—Data Tables—21

Federal and State Rental Housing Assistance

Total Low-Income Units with Deep Rental/Operating Subsidies

Table 10C		Project-Based Units	Units per 1000 Renter HHs	Tenant-Based Units	Units per 1000 Renter HHs	Total Deep Subs. Units	Units per 1000 Renter HHs
Cumberland Plateau	**1990**	1,144	73	1,512	96	2,656	169
	2000	1,725	104	2,230	134	3,955	239
	Change	581	31	718	38	1,299	70
	1990-2000	50.8%	42.5%	47.5%	39.6%	48.9%	41.4%
Southern Blue Ridge	**1990**	1,189	83	583	41	1,772	124
	2000	1,540	89	720	42	2,260	131
	Change	351	6	137	1	488	7
	1990-2000	29.5%	7.2%	23.5%	2.4%	27.5%	5.6%
Alleghany Highlands	**1990**	608	91	127	19	735	111
	2000	777	118	167	25	944	144
	Change	169	27	40	6	209	33
	1990-2000	27.8%	29.7%	31.5%	31.6%	28.4%	29.7%
Northern Valley-Piedmont	**1990**	517	40	350	27	867	67
	2000	749	50	588	39	1,337	88
	Change	232	10	238	12	470	21
	1990-2000	44.9%	25.0%	68.0%	44.4%	54.2%	31.3%
Southside	**1990**	955	50	276	14	1,231	64
	2000	1,972	93	315	15	2,287	108
	Change	1,017	43	39	1	1,056	44
	1990-2000	106.5%	86.0%	14.1%	7.1%	85.8%	68.8%
Northern Neck-Middle Peninsula	**1990**	162	21	106	14	268	35
	2000	436	49	186	21	622	70
	Change	274	28	80	7	354	35
	1990-2000	169.1%	133.3%	75.5%	50.0%	132.1%	100.0%
Eastern Shore	**1990**	188	38	263	53	451	91
	2000	227	41	310	56	537	98
	Change	39	3	47	3	86	7
	1990-2000	20.7%	7.9%	17.9%	5.7%	19.1%	7.7%
All Rural Market Areas	**1990**	4,763	58	3,217	40	7,980	98
	2000	7,426	82	4,516	50	11,942	131
	Change	2,663	24	1,299	10	3,962	33
	1990-2000	55.9%	41.4%	40.4%	25.0%	49.6%	33.7%

Sources: HUD, USDA (Rural Housing), PHAs, and VHDA (deep subsidy rental units); U.S. Census Bureau (renter households)

Notes: See Part V.B—Data Tables—21

Loss of Low-Rent Housing Stock

Loss of Units from Federal/State Assisted Inventory

Table 11		Units Lost from Assisted Inventory: Prepay./Opt-Out	Units Lost from Assisted Inventory: Propt. Disposition	Units Provided New Fed./State Assist.	Net Loss of Assisted Units
Cumberland Plateau	1990 to 1999	16	0	0	16
	Since Jan. 2000*	0	0	0	0
Southern Blue Ridge	1990 to 1999	12	0	0	12
	Since Jan. 2000*	113	0	0	113
Alleghany Highlands	1990 to 1999	96	0	0	96
	Since Jan. 2000*	0	0	0	0
Northern Valley-Piedmont	1990 to 1999	77	0	77	0
	Since Jan. 2000*	0	0	0	0
Southside	1990 to 1999	84	0	0	84
	Since Jan. 2000*	0	0	0	0
Northern Neck-Middle Peninsula	1990 to 1999	0	0	0	0
	Since Jan. 2000*	0	0	0	0
Eastern Shore	1990 to 1999	0	0	0	0
	Since Jan. 2000*	0	0	0	0
All Rural Market Areas	1990 to 1999	285	0	77	208
	Since Jan. 2000*	113	0	0	113

Sources: HUD and USDA (Rural Housing)
*Units lost or slated to be lost since January 2000

Notes

Table 3C

Family HHs. Family households are two or more related persons living together in the same housing unit.
Other HHs. All other types of households.

Table 9A

All figures have been adjusted for inflation and are shown in constant 2001 dollars.
Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.
Min. Income. This is the minimum income needed to afford a unit renting for the FMR based on HUD's standard that households should pay no more than 30% of gross income for rent.
% AMI. This is the necessary minimum income as a share of the Area Median Income as determined by HUD and adjusted for household size.

Table 9B

All figures are adjusted for inflation and shown in constant 2001dollars.
1-Bedroom Rent. Rent figures are a weighted average of the Fair Market Rent (FMR) in local market areas for a one-bedroom unit as determined by HUD based on the 40th percentile of actual market rents. In 2001, HUD calculated FMRs for the three large metropolitan housing markets on the 50th percentile of market rents due to the extremely low vacancy rate and the concentration of available units at or below the 40th percentile in limited market locations. The FMR is indicative of the rent a tenant should expect to pay in order to obtain standard housing in the marketplace.
Minimum Wage Workers. Income is the annual minimum wage for a full-time worker.
Single SSI recipients. Income is the maximum Supplemental Security Income (SSI) benefit for a single person.
Age 65+ living on OASDI. Income is the average Social Security benefit being paid to persons age 65+ in Virginia as of December 31, 1997. This is indicative of the income of persons relying solely on OASDI benefits for income. Data for 2001 are not available but should compare closely with 1997 because OASDI benefits are fulled indexed for inflation.
Rent Burden. This is the share of monthly income needed to pay the one-bedroom Fair Market Rent.

Table 10A

Total Low-Income Family Units. This inventory includes family developments (i.e., developments without age restrictions intended for family occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes the diverse inventory of federal and state assisted specialized supportive housing for populations with special needs. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.
Family Units with Deep Subsidies. This inventory includes family developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.
Non-Elderly Renter Households. These are renter households with a householder under the age of 65.

Table 10B

Total Low-Income Elderly Units. This inventory includes elderly independent living developments (i.e., unlicensed developments designed for elderly occupancy) receiving direct project-based federal and state assistance through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202, Section 236, Section 221d3 BMIR, Section 515 Interest Credit, Low-Income Housing Tax Credit, Virginia Housing Fund, Virginia Housing Partnership Fund and state-administered HOME programs. It excludes licensed assisted living facilities. It also excludes housing developments receiving federal HOME and CDBG funds through local governments that did not also receive assistance under one of the previously cited federal and state programs.
Elderly Units with Deep Subsidies. This inventory includes independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.
Elderly Renter Households. These are renter households with a householder aged 65 or older.

Table 10C

Project-Based Units. This inventory includes family and independent living elderly developments receiving direct federal project-based deep rental subsidies through the Public Housing, Section 8 (except Section 8 Mod Rehab), Section 202 PRAC, rural Rental Assistance (RA), Rental Assistance Payments (RAP), and Rent Supplement programs.
Tenant-Based Units. This inventory includes all authorized units under the Section 8 Housing Choice Voucher and Moderate Rehabilitation programs. Section 8 Moderate Rehabilitation program units are included in the count of tenant-based units because: (1) they are usually administered in conjunction with the Housing Choice Voucher program; and (2) separate data on family and elderly units is not readily available for 1990. In 1990, Moderate Rehabilitation units represented 17 percent of total tenant-based units versus less than eight percent in 2000.